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CENTRAL EURASIA



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**Envoy to France Discusses Diplomatic Post,
Prospects for Russia**

924C1057A Moscow MOSKOVSKIYE NOVOSTI
in Russian No 11, 15 Mar 92 p 11

[Interview with Yuriy Ryzhov, ambassador of Russia to France, by Aleksandr Kabakov, chief editor of MOSKOVSKIYE NOVOSTI; date and place not given]

[Text] Perhaps no ambassador had before this ever been to the La Palette cafe at the very heart of the student and artists' Left Bank of Paris. One appointed by Moscow even less. Here, among the old mirrors and heavily worn leather sofas of the turn of the century, Ryzhov felt absolutely at ease. The infrequent Saturday morning visitors looked around in the direction of the Russian speech coming from an elegant gray-haired gentleman—by his coat and open collar he could have been taken for a newly arrived artist....

[Kabakov] Mr. Ambassador....

[Ryzhov] What?! We are on more familiar terms than that, surely.

[Kabakov] It is awkward speaking familiarly with His Excellency the Ambassador, in an official interview, in any event. Let us agree to the impersonal form, if that is all right? So, the first question will be quite offensive. In Soviet times obkom secretaries who had fallen out of favor, who were in semi-disgrace, or who were being packed off to their well-deserved rest often became ambassadors, as you know. Now Ryzhov in Paris, Bovin in Tel Aviv.... What is the thinking on this analogy?

[Ryzhov] Thinking about what was for me a very odd decision, I of course hit on this analogy immediately. But there are two differences. The first is that we are not, for all that, from a party but from quite a broad movement which is formally without structures. The second is that I cannot regard my appointment as deportation. It was my voluntary consent, whereas our predecessors did not have the right of refusal. All of us, fortunately, had the right to choose.

[Kabakov] So, not being a professional diplomat, a "grease monkey" academician has come to Paris, the center of traditional Russian diplomatic activity, a place where Russia always defended its international interests and where the ambassador of the Russian state was a most important diplomatic figure. Do you have the sense of an immense responsibility which has suddenly descended on your shoulders?

[Ryzhov] No. I have never had a sense of immense responsibility for anything, other than my own family. Nor will I have, I fear.

[Kabakov] But how, then, are Russia's state interests to be defended? And of what, incidentally, do they now consist?

[Ryzhov] This question will, perhaps, force me to think without bustle for the first time. After all, the most important thing in the first weeks has been immersion in the routine part of the work. I am learning what it consists of, what kind of correspondence, the analysis of which documents, what kind of meetings... I am being trained in the outward aspect of the craft and it is as yet absorbing my whole attention. I may now say one thing: Distinctly shaping the vector of Russia's foreign policy is impossible autonomously. It is shaped both within the country and depending on an analysis of the vectors of others' foreign policy activities, not only of one's immediate surroundings but of the whole globe, which are being formed and reformed. This must be and is now becoming a subject of the intellectual activity of both my and, of course, our entire foreign policy upper stratum. To be honest, this process is for me still at the very start.

[Kabakov] So, a dilettante in diplomacy. There are so many dilettantes in Russian politics currently, for that matter.... But there is, perhaps, in this case, reliance on the habit of a scientific analysis of any situation? On what are you relying generally in the assimilation of this sphere?

[Ryzhov] The main reliance is on myself. I have already lived my whole life almost, and I will say plainly, not wholly unsuccessfully. And I have changed my sphere of activity many times, not as abruptly, of course, remaining within science, but have changed it quite radically. As distinct from many colleagues, who, being judicious, having once embarked on the path of a particular scientific direction, have simply pressed head, reinforcing their possibilities and results. The grace of fate evidently helped me, however, to assimilate new things quite easily. And gave rise to abundant self-confidence. By old age, it is true.

[Kabakov] Confidence in yourself based on experience?

[Ryzhov] No, simply self-confidence. It seems to me that all the decisions concerning abrupt changes were based on a frivolous self-confidence. But at that time I changed my interests while remaining in my profession. But when I left for politics—everything. I am rapidly losing my professional skills.

[Kabakov] Farewell to science forever?

[Ryzhov] Yes. And I have nostalgic regrets, but what can I do? And I had passed the age limit also. So my scientific productiveness would have been, for all that, dubious, perhaps as an expert....

[Kabakov] Formerly the "physicists" became "lyric poets," now, politicians. Is it not quite frightening?

[Ryzhov] My knees do not tremble, and I do not feel that I have made the wrong decision.

[Kabakov] And your partners are not giving you this impression?

[Ryzhov] The French? I have had few contacts as yet, but I am being well received initially. In the super-stagnation times also, incidentally, there were professional diplomats not by education. Dobrynin, for example, the very well-known ambassador in the United States, was a graduate of the Moscow Aviation Institute. I am a graduate of the Dolgoprudny Physico-Technical Institute.... Generally, I do not have the anxiety complex of the novice.

[Kabakov] Diplomacy is linked with secrecy, with the self-controlled aspect of each step. But in Moscow, the rector of the Moscow Aviation Institute, people's deputy, ultimately, co-chairman of the Board of Founders of MOSKOVSKIYE NOVOSTI, Yuriy Ryzhov is known as a person who is more open even than the customary "norm." Will you need to change? Or is this impossible?

[Ryzhov] Secrecy is particularly necessary if you are forced to defend wrongful positions. I, however, hope that today's positions of our country will be determined by a really honest desire to become a part of the civilized world community. I believe, therefore, that in upholding the interests of the state I will not be going against my conscience. Insofar as I have lived my life with this character without having suffered any great damage, perhaps God will continue to be merciful?

[Kabakov] An event which is very important for any ambassador occurred in your first days in this office—a visit by the head of the state you represent. Be honest, now: What were your personal impressions?

[Ryzhov] I did not blush. Not once. I have known Yeltsin since 1986, when he, as Moscow party secretary, visited my institute. Then there was the Interregional Group, the Supreme Soviet.... And now here. I saw that the president of Russia was in good fighting trim and was convincing. Of course, he made faux pas, (Footnote 1) (The sole French expression employed constantly by the ambassador: "misstep, blunder.") but they were in keeping with the nature of his personality. I like being the ambassador of a country with such a president.

[Kabakov] It is well known what our overseas institutions were under the Soviet authorities. The terms "Soviet colony, residential zone, official zone" are still in use here. How are you managing to build relations with such an organism?

[Ryzhov] We have become used to being in the zone.... As far as the personnel is concerned, this was an aspect which made my decision easier: I knew that there were people I could work with here and whom I could trust. Although in terms of language it would have been easier for me among Anglophones. But there are specialists here whom the French value both as persons who know the country and as persons who are conversant with the diplomatic service. In economics this is impossible: there the old professionals can "bypass" a new leader and force him to dance to their tune. Diplomacy, on the other hand, makes it possible, given a change of political

orientation, in terms of its routine mechanics, which have not changed for centuries, to use the knowledge of the technological methods characteristic of old professionals.

[Kabakov] A democratic commissar attached to the specialists?

[Ryzhov] Yes, and I see nothing so terrible about this.

[Kabakov] Do you have the sense that your excellency is representing a great power?

[Ryzhov] "Excellency!" There you go again.... Thanks to my old ties to the military-industrial complex I realized long ago that we are not a great military superpower. We invested all our national property in military hardware, but, lagging behind in the new technology, could not create arms adequate to the world level. But I am sure that the level of today's superpowers is confirmed not by an immense armament and army but by political and economic potential. It seems to me that it will not in the future be a balance of forces which is sustained in international relations primarily but a balance of interests based on such potential. I would very much like to think that we also could become a great power in this sense. But I am, unfortunately, a pessimist. On a historical scale there is a chance that this will happen, but on the scale of the life of a generation, I really do not believe so.

[Kabakov] Does living in France give you any pleasure?

[Ryzhov] It is a pity that I know the language less well than English, although when I was young, to make some money, I translated technical books from French also. But I love the country. It was the second Western country which I visited and it made a lasting strong impression. And, generally, France has, this is common knowledge, always occupied a particular place in our culture. I love Paris.... Right now I am enjoying this cafe, to which I have come thanks to the interview.

[Kabakov] Officialdom, official status, protocol are held sacred here in France. Does this cause problems?

[Ryzhov] Not particularly. That I am left-handed and eat with the wrong hand, everyone is already accustomed to this. I can even write smoothly.... It is not that bad, everything is going normally as yet.

[Kabakov] Now a question which will be, perhaps, even more disagreeable than the first. I will cite a popular complaint about the "democrats": "You made a mess of things and then off you go in various directions. To good food, clean sidewalks, and high-quality beer...." Deliver lectures, take part in congresses, work on contract.... And here we have the very pinnacle—civil service, good accommodations, guaranteed wages in real money. What can you say to this?

[Ryzhov] I do not, incidentally, like beer. As far as the other possibilities of this dolce vita are concerned, I had far more than those afforded by the office of Russian

ambassador. A contract with any American university—both higher earnings and no superiors such as the minister, deputy minister, desk chiefs.... But in agreeing to become an ambassador I was deciding for myself not a practical question but one of principle. I had a duty to serve the structure to whose formation I had contributed.

[Kabakov] That is, a certain responsibility?

[Ryzhov] If you like. To my comrades, although they were varied. But solidarity with this team, let us provisionally call it, has remained. The "interregionalism" has remained.

[Kabakov] How has your family—wife, children, grandchildren—taken it?

[Ryzhov] Not, I would say, with delight. Leaving Moscow, where we have lived our whole lives, the home where I was born.... Two daughters, whom we should be helping simply by our presence, have been left behind. In addition, my wife feared for my lack of professional preparation. She is, after all, a diplomat by education, a graduate of the Moscow International Relations Institute....

[Kabakov] How do you start your day?

[Ryzhov] In the car my assistant provides me with a verbal survey of the French press. Prior to this, I have over coffee read the INTERNATIONAL HERALD TRIBUNE. We drive across half of Paris, from the residence in the old Russian Embassy on Rue Grenelle to the prison-like Soviet embassy building on Boulevard Lanne, and then it starts. Until late in the evening.... I have only been out for a Sunday stroll once in the whole month. I put some money together to invite my grandsons over and showed them Notre Dame.... And I would like to have the time for bicycling, for example. I was almost a professional, after all....

[Kabakov] There has hardly been an interview, it seems. I was unable to sustain a sufficiently aggressive tone owing to our good relations.

[Ryzhov] Is this a professional law? I seeing nothing so terrible in sometimes breaking professional laws. I am a dilettante after all.

MOSKOVSKIYE NOVOSTI File

Yuriy Alekseyevich Ryzhov was born on 28 October 1930 in Moscow. From 1948 through 1954 he studied at the Moscow Physico-Technical Institute. From graduation through 1958 he was an engineer at the N.Ye. Zhukovskiy Central Aerodynamics Institute and was subsequently for two years senior engineer of the Thermal Processes Research Institute. From 1960 through the end of 1991 he was part of the Moscow Aviation Institute, where he progressed from assistant professor to rector. As of 1981 he was a corresponding member, and from 1987, academician, of the USSR Academy of Sciences (now the Russian Academy of Sciences), and as of 1989, people's deputy of the USSR

from Moscow's Leningradskiy Territorial District. He became a part of the USSR Supreme Soviet and was elected chairman of the USSR Supreme Soviet Science, Public Education, Culture, and Training Committee and member of the USSR Supreme Soviet Presidium. As of September 1991 he had been a member of the USSR president's Political Consultative Council. He is a cochairman of the Board of Founders of MOSKOVSKIYE NOVOSTI. On 4 January 1992 he was appointed ambassador of the Russian Federation in France.

Finnish Displeasure With Selection of Ambassador From Russia

924C0967B Moscow LITERATURNAYA GAZETA
in Russian No 12, 18 Mar 92 p 9

[Article by Natalya Lavrentyeva: "'Leave Komissarov in the Former USSR': New Russian Ambassador to Finland Advises Against Stirring Up the Past"]

[Text] The Finnish press had different reactions to the news that Yuriy Deryabin had been chosen to serve as the Russian ambassador to Finland.

According to HELSINGIN SANOMAT, "Yuriy Deryabin, an expert on the northern countries, managed to rise to the office of deputy minister of foreign affairs of the former USSR, and on the basis of earlier beliefs, we could view his appointment as ambassador to Helsinki as evidence of the great significance Russia attaches to relations with Finland." Other Finnish newspapers expressed completely different opinions. People in Finland have not forgotten that Deryabin regularly wrote articles under the pseudonym of Yu. Komissarov in the central Soviet press in the 1970's, in which he, according to a report in KAUPPALEHTI, "repeatedly, and in quite unpleasant ways, interfered in Finland's affairs and is therefore regarded by new generations as a symbol of the bygone Brezhnev era." An even more categorical judgment was voiced in TURUN SANOMAT by Finnish diplomat R. Muller: "We want to develop reliable and equitable relations with our eastern neighbor.... The choice of Deryabin to serve as ambassador to Finland, however, will complicate the move to these relations because the initial premises of his actions are outdated." In the most concise terms, this point of view can be summarized in Finnish journalist Anna Saylas' comment that "Russia's decision is surprising."

LITERATURNAYA GAZETA asked Yuriy Deryabin for a comment:

"Yes, I have heard the debates. I can understand why the Finns are wondering whether Russia's policy will change or will merely be an extension of the policy of the former Soviet Union. I feel the need to say something—not in my own defense, but just to explain my present position: Yes, I was Komissarov. Yes, I did write the articles, but that was in the past, and we should leave Komissarov in the former Soviet Union. Let us talk about the new ambassador in his new capacity as a representative of

Russia. I can say that the foreign policy of the new Russia in all areas—and this applies completely to Finland—will be free of ideological dogma, signs of the imperial approach, coercive methods, and the spirit of confrontation.

"I am relying on the Finns for assistance and I am willing to listen to good advice and pay attention to criticism of my mistakes. In general, I am going to Finland with the intention of being as receptive as possible. I also want to say that the president and government of Finland quickly passed a positive resolution in response to my appointment. Diplomatic consent was requested on 18 February and the matter was settled within 10 days. The presentation of my credentials has been scheduled for 20 March."

Labor Policy Agreement Signed With Finland

924108464 Moscow TRUD in Russian 26 Mar 92 p 3

[Report on interview with A.N. Shokhin, deputy chairman of the Russian Federation government and minister of labor and population employment, by TRUD correspondent P. Volpyanskiy in Helsinki; date not given: "Labor Apprentice—Not Immigrant"]

[Text] A delegation headed by A.N. Shokhin, deputy chairman of the Russian Federation government and minister of labor and population employment, was in Helsinki for a short visit. The visit was conducted to sign an agreement with Finland in the sphere of labor policy and an attached protocol on exchanging labor apprentices. Yet another document is entering into force concerning the training of our specialists in the sphere of market economy.

In an interview with TRUD correspondent P. Volpyanskiy, A.N. Shokhin stated:

"We attach a great deal of significance to the understandings reached here. This is the second agreement of its kind. The first was with the FRG; another is being readied with Belgium. We must do everything possible to see to it that all questions connected with labor force displacement across borders are set in a foundation of rigid legality which takes into consideration the interests of both neighboring states in question, to see to it that unregulated migration is not permitted.

"We are vitally interested in this. Especially when you take into account prognoses with respect to the Russian labor market. The second phase of reforms will bring about a structural demolition of the economy and, in turn, the growth of unemployment to six or seven percent of the able-bodied population. The gloomiest predictions in this sphere cite a figure of 11 percent. So for many, the prospect of going abroad to work is becoming increasingly attractive.

"Questions arise, however: How? In what capacity? Under what conditions? With what end in mind? No country—and Russia is no exception—can wish for a

'brain drain,' or more accurately a mind drain, of its industrious people. An exchange of labor apprentices in accordance with stipulated quotas which enables people to increase their qualification skills, to acquire new practices and experience so as to then utilize these at home—this is the foundation concept upon which I and my Finnish colleague, Minister of Labor I. Kanerva, prepared this agreement.

"A great deal of effort, including on the part of the mass media, will be required to explain to people the true situation—extremely complicated, and far removed from the illusions people still harbor—with respect to job placement opportunities in the European states, where production decline has left their own citizens out of work. No matter how difficult it is for us now and will be in the next few years, we must not forget that the reform being conducted in our country is directed in the final analysis towards economic revitalization and decisive production upswing, when there will be work for everyone who wants it and is able to do it."

Issues Affecting Relations With Norway Examined

924C0912A Moscow NEZAVISIMAYA GAZETA in Russian 7 Mar 92 p 4

[Article by Vladimir Abarinov: "An Oasis of Prosperity, and Chaos in the East"]

[Text] *The Indefatigable Andrey Kozyrev Is on His Way Again. This Time to Copenhagen, Oslo, and Brussels*

The minister of foreign affairs is returning the visit of his Norwegian colleague Thorvald Stoltenberg, who was in Minsk, Kiev, and Moscow in early February.

Northern Europe in general has recently been a region of marked diplomatic activity by Russian political figures. The Scandinavians are responding in kind, but are not inclined to exaggerate the significance of their own visits. In any case in a talk with your correspondent Minister Stoltenberg modestly called his visit around the CIS [Commonwealth of Independent States] countries a familiarization trip.

The Norwegians are naturally aspiring to develop and stabilize relations with their turbulent eastern neighbor, but at the same time they understand that at this moment these efforts amount for the most part to offering all possible aid. Norway is prepared to provide aid, but not so much humanitarian as scientific and technological aid. In the near future the government intends to present a program to support the reforms in the countries of East Europe and the CIS for 1992-1993 to the parliament. The parliament has already allocated 337.5 million kroner for this year. The government will allocate another 250 million kroner specially for northern Russia, the Baltics, and Poland.

Ecology is a subject of special concern to the Norwegians and a separate sphere of cooperation with the CIS. It was

precisely on the day of my visit to the Norwegian Ministry of Foreign Affairs that the minister called an emergency conference in connection with the Green Peace report on the latest leak from a container with radioactive wastes buried by the Navy of the former USSR on the floor of the Barents Sea. In the opinion of Mr. Stoltenberg, the possibility of radioactive contamination of the sea is the greatest danger in Europe today. The minister intends to touch on this theme not only in negotiations with Kozyrev, but also at the session of the North Atlantic Council of Cooperation in Brussels, which opens 10 March. Norwegian specialists from the Ministry of Agriculture, the higher agricultural school, and the state institute of radiation hygiene are cooperating with colleagues from the CIS in the field of eliminating the consequences of the Chernobyl disaster, in particular reduction of radioactivity in the soil and in food products. For these purposes the government has allocated 3.9 million kroner, and the Norwegian methods have done well. Nonetheless the program of cooperation in the area of reducing the cesium content in dairy and meat products, as the Norwegian Television Bureau reported, has not yet found high-level support, neither in Ukraine, nor in Belarus, nor in Russia. But on the other hand Leonid Kravchuk, for example, put Stoltenberg at a loss by asking him to promote Ukraine's entry into the EC. Stoltenberg was forced to answer that it was unlikely that Norway, itself not a member of the EC, could satisfy the president's request.

An unpleasant incident concerning humanitarian aid also occurred not long ago. In early February the local press reported that the commanders of the Murmansk garrison had asked city authorities to allocate to their personnel 100 (2.5 tonnes) of the 6,000 packages of food sent by Norwegian charitable organizations. A fairly strong statement by a Ministry of Foreign Affairs representative followed which said that the aid was intended exclusively for civilians and that from now on the philanthropists themselves would monitor its distribution, since this year Murmansk ceased to be a closed city.

The question of establishing the boundary of the continental shelf is one of the political obstacles to improving bilateral relations. Negotiations have been going on for almost 20 years, with middling results, but now it seems the sides are close to a mutually acceptable agreement. Do the Norwegians expect as a result to receive everything they lay claim to? In talking with me, the general director of the legal department of the Ministry of Foreign Affairs of Norway, Jan Flatla, answered with confidence that a compromise would be reached during negotiations. (A few days ago Andrey Kozyrev repeated almost exactly what the Norwegians had said to me.) This is a matter of 175,000 square kilometers of sea floor, while the area of continental Norway is slightly more than 320,000 square kilometers. The CIS military presence in the Barents Sea, in the general director's opinion, in no way complicates negotiations. However he acknowledged that this was not his field.

On the whole Norway is seriously concerned about the events in the eastern part of Europe, especially in light of its own geographic position on the border of the strategic interests of major military powers (the Russian-Norwegian border extends 196 kilometers). Minister Stoltenberg believes that the NATO allies are devoting too little attention to the region. In the traditional six-month report given to parliament recently, he stated, among other things: "Political and economic chaos in the East may have serious consequences for Western society. It is unrealistic to assume that West Europe can continue to exist as an oasis of prosperity in a Eurasian continent which is distinguished by economic collapse, social tension, and political dissolution."

Indeed, West Europe, unlike us, has something to lose. In the face of this threat they are uniting and drawing the CIS countries into a regular political dialogue within the framework of different international organizations, trying to control the situation as much as possible.

At the same time debate in Norway on the question of whether Norway should join the EC continues. Mauno Koivisto officially announced Finland's intention to submit an application to the EC and enlivened the debates. As a result Norway and Iceland may be the only countries in northern Europe outside the EC. What, specifically, do the Norwegians see as the negative consequences of joining? Thorwald Stoltenberg considers the main thing to be the fact that the ruling parties of the EC member countries follow policies which differ substantially from the positions of the Norwegian Labor Party [NLP]. Come what may, the question remains an open one until the November congress of the NLP, which will make the final decision. Even now, however, the opinion of the general secretary of the party, Thorbjørn Jagland, and its chairman, Gro Harlem Brundtland, is well known: they are for joining.

Turkish, Iranian Influence in Transcaucasus Viewed

92US03244 Moscow NEZAVISIMAYA GAZETA
in Russian 19 Mar 92 p 1

[Article by Armen Khanbabayan: "Peace in the Transcaucasus Is Being Born to the Thunder of Guns" subtitled: "But the Muse of Diplomacy Is Not Silent Either"]

[Text] As reported, Volkan Vural, Turkey's ambassador in Moscow, paid a one-day visit to Yerevan on 16 March. The parties discussed the prospects of Armenian-Turkish relations, including the establishment of diplomatic relations. In the opinion of President Levon Ter-Petrosyan, the psychological barriers which have existed between the two peoples may be overcome, and despite the disagreements which arise, Armenian-Turkish relations have a good future. All this notwithstanding, the situation taking shape today in the Transcaucasus and the ante-Asia region is attended by circumstances that are not trivial. The certain euphoria which enveloped the Armenian community in connection with the neutrality

declared by Turkey in the Karabakh conflict is gradually passing. The Turkish Government is bound by powerful public opinion in its country unequivocally demanding support for its Azerbaijani brothers. This was the very reason for the demonstrative blocking of American food aid to Armenia in Turkish ports and which made it possible for President Turgut Ozal to say that "the Armenians should be frightened a little," and for Turkish "patriots" to carry out an attack on a group of Armenian athletes returning home from the Pan-Iranian games through the Turkish city of Kars. Nor was it fortuitous that a few days ago the Armenian president observed that Turkey had gone back on its former neutral position in the Armenian-Azerbaijani conflict. Despite constant assurances as to the desirability of any honest mediation, Armenia will henceforward be cautious in its attitude toward Turkish initiatives—at least until it receives real guarantees of prolonged neutrality. All these facts are being perceived quite painfully by the West. The United States and Europe consider Turkey the model for emulation toward which the Muslim republics of the former Union should be oriented in their socio-political and economic development. But Turkey's one-sided position is enabling Iran, in turn, to join actively in a solution of regional problems, which is obviously placing the West in quite an awkward position. Iran is purposely stepping up its diplomatic activity in the Transcaucasus. And it may already be said that these efforts are bearing their first fruits. The mediation mission of Dr. Ali Akbar Velayati, foreign minister of Iran, who recently visited Baku and Yerevan, the successful negotiations of high-level Armenian and Azerbaijani diplomats in Tehran under the aegis of the Iranian Foreign Ministry, and the constant telephone contacts between Armenian and Iranian leaders led to the establishment of the first, albeit fragile and frequently violated, truce in Karabakh. In addition, as far as we can tell, many of the Persian side's peace initiatives at the negotiations in Tehran met with a cordial response both in Baku and in Yerevan. And it cannot be ruled out that it will be an Iranian scenario of a normalization of the situation which will in time form the basis of future multilateral negotiations on Karabakh. Armenian-Iranian and Iranian-Azerbaijani economic relations have enjoyed unprecedented development in parallel. Iran is clearly demonstrating its aspiration to be a peacemaker, and is doing so quite subtly, what is more, giving no reason for suspicion. Such a position is undoubtedly enhancing Iran's authority. And not only in the countries of the Transcaucasus, furthermore. The West and Turkey are thus being confronted squarely with the disagreeable prospect of Iran's gradual conversion into the regional hegemon. It was this, probably, which stimulated the Turkish ambassador's lightning visit to Yerevan and which has generally accelerated the process of internationalization of the Karabakh conflict. Further procrastination would have threatened anew an exacerbation of the traditional Turkish-Persian rivalry, which is fraught with far-reaching consequences. And not, generally, to the benefit of the West or Armenia or Azerbaijan, whose territory has in the past always been

an arena of military antagonism of the two Muslim giants. A resumption of this rivalry under present conditions would threaten to undermine the already very fragile status quo in Anterior Asia, dividing this explosive area into two antagonistic camps. For this reason the West is endeavoring at all costs to show its interest in the establishment of peace, attempting to establish itself here in the role of supreme arbiter.

There is one further, by no means obvious, aspect to the problem. It is perfectly possible that Tehran's entire present policy has a very distant aim and is explained not only by the surface aspiration following the weakening of Russia to expand the spheres of its influence. Iran is by degrees endeavoring to restore its position in the world which was shaken following the fall of the last shahan shah and to rid itself of the reputation of fundamentalist "evil empire". Diplomatic success in a settlement of the Armenian-Azerbaijani conflict could serve it well here also. In turn, Armenia, which is in the eyes of the West a kind of model of the peaceful restoration of democracy following decades of totalitarianism, could in time be the connecting link between Iran and the Western democracies, when these sides decide to commence the normalization of their relations. But the latter point is merely a forecast for the very distant future.

U.S. WWII POW's in GULAG Mentioned

924C0991A Moscow ROSSIYA in Russian No 5,
29 Jan 92 p 3

[Article by Sergey Baygarov under the "GULAG for Foreigners" rubric: "More 'Yes' Than 'No'"]

[Text] Once again we are talking about the fate of American servicemen taken prisoner in Vietnam and allegedly transported under guard to the Soviet Union. Did this really happen or not? I would respond in this way—more "yes" than "no." In any case, internment of foreign citizens in the Soviet Union was rather broadly practiced back in the 1940's. Here we are referring to citizens of neutral states and even citizens of member nations of the anti-Hitler coalition.

We have data from the "Information on the Presence of Burial Sites of Prisoners of War and Interned Foreign Citizens in the Territory of Tambov Oblast." This document was compiled at the Internal Affairs Directorate of the Tambov Oblast Executive Committee at the request of "Comrade L.A. Romanina."

Thus, during the period 1942 through 1948, three camps and two special hospitals were located in the oblast.

Arriving at Camp N188 at Rada Station from May 1943 through September 1946 were 56,268 individuals of 23 nationalities. In the camp, 11,116 people died, including 1,232 Frenchmen who were buried at the Rada cemetery. However, burial markers for the French citizens are present for only 1,180 people. Camp N64 was situated in Morshanskiy Rayon. Through it passed 38,074 persons of 21 nationalities. Special Hospital N2022 was located

in the same rayon. According to personnel records for the period 1943 through 1948, 10,545 persons of 21 nationalities were registered here. All in all, 6,315 individuals died in Camp N64 and Special Hospital N2022.

There are no data for Camp N56 at Khobotovo Station or Special Hospital N5951 in the city of Kirsanov. But 1,130 persons of 21 nationalities are buried at the cemetery in Kirsanov.

These are the sad statistics. What French citizens and representatives of other countries friendly to the Soviet Union are faulted for can be seen in a letter from Boris Yakovlevich Bruk to Yuriy Smirnov, deputy and subcommittee chairman of the Russian Supreme Soviet Committee on Invalids' and Veterans' Affairs. Smirnov has been involved for many years now in investigating and ascertaining the names of persons who disappeared or perished during the years of the Great Patriotic War and subsequent military conflicts—not only of Soviet military servicemen, but citizens of other states as well. The letter is a short one. I cite it almost in its entirety.

"In November 1946 I met with Andrish Berkish, a United States citizen, in a cell of the Chelvybinsk transit prison. This is what he told me. Andrish, Hungarian by extraction, traveled to Hungary right before the war to visit his parents. At the outbreak of the war he was unable to leave for home. He was then forcibly mobilized into the Hungarian Army. Reaching the front, Berkish voluntarily gave himself up to the Soviet Army, hoping to be repatriated to the United States. But he was arrested by state security organs and convicted under Article 58, Point 1b of the RSFSR Criminal Code—"Treason Against the Motherland." The sentence was 20 years at hard labor. (Though I am not exactly sure of the number of years)

"Berkish was a musician by profession, a violinist, it seems. Before the war he had a job playing in the orchestra of one of the transatlantic passenger liners. This circumstance, in his words, intensified his 'guilt.' They told him he was misleading the investigation, since 'there are no orchestras on ships.' As I recall, he said he had a family in the United States. I was only with him a few days. I do not know what happened to him after that."

So it turns out that we put Americans into prison when they were our allies. So why should we stand on ceremony with American servicemen when the United States was considered "Enemy No. 1"? But all this is logical conjecture. We do not yet have the facts on "the Vietnam episode." The search continues.

As Yuriy Smirnov was told at the Pentagon, 20,000 U.S. citizens are listed as missing in the former USSR.

P.S. No sooner had Yuriy Smirnov provided this information than the burial site of "an American citizen" (as the documents read) was ascertained at the Rada Station cemetery—Bernhard Lyakober, born in 1919.

Former KGB Resident on Walker Spy Ring

924C09534 Moscow TRUD in Russian 19 Apr 92 p 4

[Interview with Boris Aleksandrovich Solomatn, former KGB resident at the Soviet Embassy in Washington, by Vladimir Snegirev at Krasnaya Presna, date not given. "An Intelligence Agent? A Spy? A Traitor?"]

[Text] On a December day in 1967 the KGB's Washington resident for foreign intelligence was told that a certain American who had entered the embassy was requesting a meeting with the officer who was responsible for security matters. The resident sent his assistant to him. "What do you want?" he asked the guest directly. "I want to sell the Soviets absolutely secret papers that are associated with the military might of the United States." The officer's face tightened. "One moment," he said and left the room. The resident, who appeared after that, held a leisurely conversation with the American that lasted four hours.

An experienced intelligence agent, he understood what consequences this visit threatened for him, his colleagues, and Soviet-American relations as a whole if this guest proved to be a "relay" of the local intelligence services. And if not? This American had suddenly and actually offered collaboration on a purely businesslike basis. He would give us secret documents, we would give him cash. "I am not interested in politics. Only money," the stranger said firmly. "How much do you want?" "At first, from \$500 to \$1,000 per week."

After exhaustive questions and inner vacillation, the resident decided: "Here is your first thousand. Let us meet in two weeks in the shopping center of the city of Alexandria." The American, taking a multitude of precautions, put on his foreign-type raincoat, which he had acquired beforehand, and hat, combed his hair, left the embassy building, got in his car and, convinced that there was no tail, left for the vicinity of the capital.

Soviet intelligence had generated one of the most valuable agents in all its history. A modest petty officer of the Navy, John Anthony Walker, from this day on was no longer in need of money; he bought an expensive yacht and a private airplane, and for 17 years did not begrudge himself anything. The commodity that he traded, right up until his arrest, never fell in value: the keys to the codes of the attack forces of the United States Navy, including the U.S. nuclear submarine fleet. In the words of transoceanic experts, "Walker caused harm to the defense system that is comparable only with that of the Rosenberg couple, when in 1950 they gave the Russians the secret of the atomic bomb." The experts recognized with terror that if, God forbid, war had broken out between the two superpowers, the Russians would have had a guaranteed victory, because they had completely monitored the main part of the offensive nuclear triad of the United States—the submarine fleet.

According to data that one author has, thanks to the information obtained from Walker our submarines

could sail almost into New York harbor. In military circles there is talk that some of our sailors became Heroes in regard to this matter.

On 20 May 1985, in the Ramada Inn in Maryland handcuffs were put on the wrists of the successful agent. His career was ended with a sentence of life imprisonment. Other members of the espionage network that he had created—his son Mike, who served on the aircraft carrier Nimitz, his brother Arthur, a retired Navy officer, and colleague cryptographer Jerry Whitworth—received various terms of imprisonment.

And what was the fate of the resident, who risked entry into this dangerous game? Returned from Washington, Boris Solomatin was named by Andropov to the post of deputy chief of foreign intelligence. Then he again supervised foreign residencies in New York and Rome. Now he is a pensioner.

We met at his apartment in Krasnaya Presna, and I asked the general to answer questions that touched on the state of affairs in intelligence. But first the talk was about John Walker.

[Snegirev] How much did we pay him?

[Solomatin] About a million dollars. And we were able to decode a million superimportant, supersecret documents. On the average he received a dollar for each document. Now you judge how profitable this was.

[Snegirev] How did Walker lose everything?

[Solomatin] Because of his own carelessness. Incidentally, this is the typical trouble with many agents—a neglect of secrecy. Back in 1968 his wife observed in a drawer of John's desk our instructions, with the conditions for communicating, and a large sum of money. She at once realized what it was all about, but for the time being held her tongue. In 1976, when they separated, John paid her well and then continued to give her \$500 each month. However, in 1984, Barbara telephoned the FBI: "My former husband is working for the Russians." Half a year later they got him.

[Snegirev] You recognize, Boris Aleksandrovich, that in this case there was a large share of luck. The man who possessed strategic secrets himself went to you and offered his services. This probably happens extremely rarely. But what measures does an intelligence agent use when he wants to recruit someone, to get the collaboration of the needed person?

[Solomatin] In order, God forbid, not to disclose our professional secrets, I will answer in words from American documents that have been obtained and that define the concept of recruiting work for the U.S. intelligence services during the nineties. It includes use of the newest achievements in the areas of psychoanalysis and the theory of behavior and a study of the person's psychological and ethical peculiarities. A psychological portrait made up by specialists of candidates for recruiting is

worked out on a computer, after which an "indicator of the recruitability" of the specific person is obtained.

[Snegirev] But is it possible that all this is now futile bother? The cold war is in the past. We have become an open society and we expect the same of others. Moreover, many secrets now can probably be wormed out more easily with modern technical means?

[Solomatin] I would not advise you to fall into excessive euphoria on such grounds. The Americans, unlike us, as far as I know, do not at all intend to give anyone the schemes for their eavesdropping devices or to cut appropriations for the special services. The CIA's budget—and the staff of this organization, according to press data, numbers 20,000 people—is estimated at several billions of dollars. Neither did we cut such funds.

The analysts at Langley, not without basis, repeat endlessly that in the nineties the world will abound with danger and instability. And in that case, they reason, there cannot be any talk even about any kind of relaxation of the intelligence war. As for agent activity, President Bush has given an order to double the appropriations for it and invigorate the work of the agents on our country's territory. It is unjust to take offense at Bush. The United States has always considered a well-supplied intelligence to be a vitally important form of insurance for its state.

[Snegirev] Similarly, we also think so. Before meeting with you and after consulting my files, I refreshed my memory about past cases of deep penetration of KGB agents into the West's state, military, and economic structures. It cannot be denied that the picture is impressive. "Our people" sat in the chancelleries of presidents and NATO military staffs, at the biggest defense enterprises.... Naturally, I know only about those that have got into the "expose" press. And how successfully they continue to complete their ticklish mission! The impression is that nothing can be hidden from the vigilant eyes of Soviet intelligence. Your colleagues have told me about special successes in the area of getting scientific and technical secrets. Documents with descriptions of the most perfected technologies, drawings and diagrams of secret computers and other equipment in millions of copies have come to your place at Yasenevo from all ends of the earth. But—this is bad luck—for some reason or other, little was found in this collection that could be used by those who wanted to make use of it. And did it not happen that in this way intelligence was at times working for itself? People were at risk, both their own fate and the reputation of our state were vulnerable, and some people were paid a lot of money and—for the sake of what? In order that our domestic agents, having received secrets that were stolen or bought, would throw them a little farther into the safe? Is the hide worth processing?

[Solomatin] You have touched on a very serious problem. Actually, the acquisition of much of our material and the rational and economical use of intelligence

information—all these were on a clearly inadequate level. Of course intelligence, like the former state apparatus, was in need of important restructuring. Now, with a reduced military threat and the disappearance of traditional enemies, it is proper to change some priorities. The agency has been greatly reduced in numbers.

I came to intelligence in 1951—then it was the Committee of Information, under Molotov. Since then, it has swelled up before my very eyes, this process being most intensive under Andropov. He loved intelligence, and he supported it in every way, and under him it was transformed into a gigantic suburban complex, it became a monster. You possess information and you possess the world, and in Brezhnev's time this thesis was especially urgent.

[Snegirev] Returning to the beginning of our conversation, I want to ask how many people you have recruited personally?

[Solomatin] I did not engage in special estimates. There remains in my memory only the brightest people, the most valuable agents. There were three or four of these. I began my foreign career in India, where we had a very good position. We fattened up there those whom we should—and not just communists.

[Snegirev] Incidentally, regarding money sent from Moscow to "foreign friends..." It is no longer a secret that the CPSU leadership actively used foreign intelligence in these operations. Tell me, technically, how was the money sent?

[Solomatin] Foreign currency came to the residency in the diplomatic mail, and this could be many thousands of dollars all at once. If the general secretary of the local communist party did not receive this "material assistance," then he appointed his trusted person, with whom he worked out a conspiratorial meeting. We gave the money, and we got a receipt....

[Snegirev] This was risky? I want to be more precise: Did those Americans turn a blind eye at such meetings, or during such operations did they threaten the intelligence agents with unpleasantness?

[Solomatin] Everything depended upon the specific country. In the United States, where we were under the very close surveillance of counterintelligence agents, such contacts could cause quite a noisy scandal. In other countries there was less fuss.

But still I want to say that perhaps the basic channel of financial support for foreign communist parties operated in a different way: there was no pumping over of cash, but there was commercial support, that is, a "company of friends," when our foreign-economic organizations, upon instructions from the CPSU Central Committee, concluded transactions and contracts clearly detrimental to the motherland's interests. But then there was good fat for the partners, behind whom the "fraternal communist

parties" stood. Is it not with this money that some of the communist leaders acquired stables of Arabian race horses?

[Snegirev] Some deputies took offense at Primakov when, in connection with the scandal about party money, he refused to acquaint the public with the archives on foreign intelligence.

[Solomatin] Granted, when this happens in civilized countries, parliament forms a commission or committee for monitoring intelligence activity. Let the members of this organ sign or give an oath not to release information which constitutes a state secret. And, perhaps, you work as you please with any documents.

Now we like to allude to the American experience in everything. Thus, when Carter was president, former CIA director Richard Helms was sentenced to two years' probation and he paid a fine of \$2,000 because when he appeared before Senate listeners he did not tell the whole truth about CIA actions in Chile. "But if I told them everything," he explained, "and the information seeped into the press, this would put the lives of some agents in jeopardy."

Remember now certain of our politicians and functionaries. In an attack on the exposed ones they did not think about the lives of people.

[Snegirev] You were once the resident in Rome, which means that you can cast some light on the secret about the attempt to murder Pope John Paul II, the "Bulgarian trail," and "an arm of the KGB"—talk about this is dying down now, but at one time in the West they tried to make it a trump card in the game against the Kremlin. For example, in the press Major Sheymov, who ran over to the Americans in 1980, blamed Andropov, who allegedly gave the order to collect information about "possible ways to get physically close to the Pope."

[Solomatin] All this is history—a typical example of controlled disinformation by the Western special services. Or in the language of the professionals, an example of taking active measures. I had good relations with the Bulgarian ambassador, and the Bulgarian resident had hardly any secrets from me. Sofia here was innocent—this is absolutely clear. And about Andropov—that is false. Possibly sometime we shall know who stood behind this bloody act.

Incidentally, some time later our service similarly tried to cooperate with the Americans. Remember the extensive group that accused the United States of the spread of AIDS. Nonsense, of course, but indeed some did bite.

[Snegirev] At that time I was working as editor of a youth weekly and remember well the energetic attempts of the "curators" from the KGB and the Central Committee to promote this fairy tale in the newspaper. But somehow they quickly withered. At another time, moreover, they worked this "deza" [disinformation] too crudely.

[Solomatin] Both cases, I repeat, are related to the category of active disinformation measures. Previously this was in the nature of things. Now, with the rejection of cold war practices, I consider such actions intolerable. I consider it mandatory that this be fixed in the intelligence agents' code, if it ever appears.

[Snegirev] Should your words be taken to mean that foreign intelligence has not been engaged in the organization and execution of terrorist acts? Defectors have said the opposite, they talk about the existence of a "wet affairs" division within the framework of department "S." Perhaps there is no smoke without a fire?

[Solomatin] When in 1965, that is, when still under Semichastnyy, I went to Washington, then, perhaps, from some kind of inertia problems of conducting such actions could have been discussed. But I emphasize—discussed! And negative decisions always were adopted. There actually existed in department "S" a section numbered 13, which was the keeper of the center for training intelligence diversion groups. In my opinion, the only "wet" action in which they participated was the storming of the Amin palace in Kabul. Later the section was divided up and the fighters were taken from intelligence.

[Snegirev] But nevertheless, if we return to the middle of the sixties, then the matter of retribution in regard to a certain defector could be discussed? Let us admit it: Nosenko—he went over to the Americans in 1964?

[Solomatin] It can be discussed. But back then no one would go so far as to eliminate the man physically. And for no reason Gordiyevskiy went about London with a false beard. He was not threatened with danger from our side, and he himself knew this well.

[Snegirev] Gordiyevskiy.... Right now there has been much writing about him, and through the efforts of certain journalists he is beginning even to take on the halo of a "freedom fighter." Another former colleague of yours with the family name Yuzhin, who worked "as a double agent" for the FBI, was recently released from imprisonment as a "prisoner of conscience." What is happening? Personally I am not against humanitarian acts, even in regard to obvious criminals: to grant amnesty to Yuzhin and to permit members of Gordiyevskiy's family to go to him—this can be understood, it is normal for a magnanimous state. But why was a group for rehabilitating traitors required? In my opinion, even they themselves did not expect it?

[Solomatin] Even I have asked myself that same question. But imagine the state of operating intelligence agents, their offense and bewilderment. After going over to a foreign service Gordiyevskiy and Yuzhin are heroes, "prisoners of conscience"; based on this, it implies that all those who remained, those who were true to their oath, were wrong. This is gibberish.

After his arrest, the American Walker also tried to convince everyone that his activity served to keep the

peace. However, this did not save him from life imprisonment. Such are the strict rules of the game.

Both of them—both Yuzhin and Gordiyevskiy—were cadre intelligence officers, extremely knowledgeable, and they revealed much. How many of our people specifically were hurt because of them I cannot say, I do not know. But it is known precisely what an invaluable gift to the special services each agent is who goes over to their side. And it is not just a matter of the names of the agents decoded by them. Moving in a specific medium, they can disclose the inner life of intelligence—this is the main harm.

And one more remark. Recently books have been written in the West by defectors, and we have begun also to print them. I want to warn. The authors of these works very often express not only their own thoughts and observations but also that which their new masters dictate to them. They are compelled to write under dictation. So it is that not everything published for pure money should be accepted.

[Snegirev] Apparently the CIA, the FBI, MI-5, and other similar agencies have already been sufficiently well informed about what is occurring behind the double concrete fence at Yasenevo. Indeed, so many of your people have left.... Fomenko, Illarionov, Kuzichnik, Levchenko, Sheymov.... A dozen in recent years alone. But it is interesting, do we have our sources in the CIA? It is recalled that a year and a half ago Kryuchkov said that "a most valuable source who worked in CIA was lost" through the fault of Kalugin, when he occupied the post of chief of foreign counterintelligence. Is this true?

[Solomatin] So far as I know (none of us knows), we did not have our man at Langley during that period. You see, for such people as Kryuchkov, intelligence is good in that it permits one to say everything about it that comes into their head. Go check it.

[Snegirev] That is the way it is. But, on the other hand, your assertion has made me feel annoyed: it turns out that the spy quoter has turned out to be beyond us.

[Solomatin] Indeed I did not say that we never did have or do not have our sources there. I spoke about a specific time segment. As for the emergence of enemy agents—how bitter it is to admit this—they had substantial successes. We must strengthen our foreign counterintelligence. Although, it stands to reason, no kind of counterintelligence will be of help, not until we become a monolithic state again shall we find firm moral criteria. This is the main thing. [end Solomatin]

Boris Aleksandrovich Solomatin is not writing his memoirs. He is doomed to carry inside him to the end of his days the secrets which 40 years in his trade have given him. John Walker is writing his memoirs. In jail.

"Of course, intelligence is not a job for people in white gloves," the retired resident agrees. "But for the time being the world is built in such a way that one cannot do

without it. No one has yet voluntarily given up the intention to ferret out his neighbor's secrets throughout the planet."

At his home at Krasnaya Presna he is writing a code for intelligence. He wants the game now to be played according to the rules.

Cuban Resistance to UN Human Rights Mission Viewed

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in Russian 28 Feb 92 pp 1, 4

[Report by Leonid Velekhov: "The Cuban Revolution Does Not Consider Itself a Defendant but Would Like To Put Others on the Defendant's Chair"]

[Text] The current session of the UN Human Rights Commission has been at work in Geneva for over a week. Its agenda includes items many of which, alas, have already become traditional: violations of human rights in China (Tibet), Indonesia (East Timor), North Korea, Guatemala, Burma, Afghanistan, Syria, Iraq, Zaire.... All the items on the agenda, on which extensive reports had been drafted and distributed among the delegations in advance, have already been discussed by the committee. The session is now starting to draft the resolutions to be adopted.

There are indications that the sharpest debate will be triggered by the debate on the resolution on Cuba. For some reason, the debate of the Cuban problem was held in executive session. It has become known that the chairman of the session interrupted the speech of one of the critics of the Cuban regime. The Cuban delegation itself did not abstain from objecting and providing its own evaluation of the report of the special representative of the UN Human Rights Commission, Rafael Rivas Posada.

Officially, Havana characterized his report on Cuba as "false, meaningless, and of no political and moral significance." According to the comments made by the Cuban delegation, the individuals named in the report as witnesses of violations of human rights in Cuba happen to be a selection of criminal elements, assassins or their accomplices, CIA agents, etc.

The Cuban delegation categorically refused to even consider the issue of appointing a special UN commission to observe personally the way human rights on the island are being observed. Let me point out, however, that such a resolution was adopted by the UN Commission last year. Let me remind you, incidentally, also of the fact that it was precisely Cuba which, had previously been the mover for sending the first special UN mission to Chile to observe the condition of human rights and which, subsequently, actively supported the idea of sending similar missions to El Salvador, Guatemala, and Haiti. Therefore, now, when the head of the Cuban delegation, refusing to cooperate with the Human Rights Commission and its special observer, states that "the Cuban

revolution does not consider that it is in the box of the accused," the whole thing sounds as nothing but a rhetorical excuse.

The view which will be taken by the Russian delegation will be of exceptional importance in the forthcoming discussion and vote on the outcome of the resolution on the Cuban problem. This time the Russian representatives came to Geneva armed with materials from recent Russian parliamentary hearings on the Cuban issue and the resulting statement by the participants in the hearings. This statement was immediately reprinted in a number of Western newspapers, including the Spanish ABC, and the impression it made was so great that it was suggested to adopt it as the base for the resolution on human rights violations in Cuba. Should this occur it would be, naturally, a sensation. No one expected that Russia would develop such a sharp and, at the same time, constructive approach to the Cuban problem.

On the eve of this difficult vote, the two-million-strong diaspora of Cuban political exiles became excited. On Sunday 1 March, on the eve of the hearings on Cuba which were scheduled for the following Monday, peaceful marches will be held in Washington, Miami, Madrid, and the capitals of Latin American countries, with lit candles in memory of the victims of political repressions in Cuba and as a mark of solidarity with the present Cuban human rights movement which is experiencing today a particularly difficult time of persecutions and repressions. The NG correspondent has been told that preparations for a similar action to take place on Sunday, by Cuban dissidents living in Moscow, are being made. They will gather at 1900 hours at Lubyanka Square by the Solovetskiy Rock which commemorates the victims of communist tyranny.

Angola's View of Debt Problem

924A0765A Moscow IZVESTIYA in Russian 9 Mar 92
Morning Edition p 5

[Report by Maksim Yusin: "Angola Has No Intention of Repaying Soviet Debts to Russia"]

[Text] Luanda-Moscow—Angola cannot complain that our diplomacy is ignoring it. Eduard Shevardnadze's African tour in 1990 began in Luanda. Two years later Andrey Kozyrev, on his way to South Africa to establish diplomatic relations, in turn, stopped for a day in the Angolan capital. Between these two visits lies a whole era accommodating the collapse of communism in the USSR, the disintegration of the Union itself, and the termination of the civil war and emergence of a multiparty political system in Angola.

Two years ago the Soviet minister was being told in detail in Luanda about the progress of combat operations against UNITA [National Union for the Total Independence of Angola], new military supplies were being solicited, the racist regime in Pretoria was being branded...

In February 1992 all this was the other way around. Instead of an increase in military assistance, the Angolan authorities were requesting, demanding, in fact, the closure of our military mission (which we promised to do, and without any great regret, it has to be said). The criticism of South Africa, which had for many years been a rule of bon ton at Soviet diplomats' negotiations with leaders of "Black Africa," was not heard on this occasion.

UNITA has from "a counterrevolutionary terrorist grouping" become for us one of the two leading political forces in Angola. In Luanda Kozyrev met with representatives of this organization, and only a confluence of circumstances prevented him crossing paths with its leader Jonas Savimbi.

Summing up the visit, the Russian minister distinguished two main topics which he had discussed with the Angolan leadership—the internal Angolan settlement and bilateral relations. Having taken over the baton from the Soviet Union, Russia, together with the United States and Portugal, is a guarantor of compliance with the peace agreements signed last May in Lisbon between the antagonistic Angolan groupings—the ruling MPLA [Popular Movement for the Liberation of Angola] and the opposition UNITA.

The situation in the country is affording no grounds for unease as yet: The armed clashes have ceased, the opposition is operating legally, Angola is preparing for elections, which will be held in September...

Far more complex is the business of a solution of another problem, which, for understandable reasons, worries Soviet diplomats far more than the Angolans. We are talking about Angola's debts to the former Soviet Union. Officials in the Russian Foreign Ministry prefer not to give the total sum. Diplomats working in Angola believe that it amounts to approximately \$5 billion. For the sake of comparison, we are owed approximately the same amount by all other African countries put together.

"Angola's debt has one specific feature. A significant part thereof (from two-thirds to three-fourths, specialists estimate—M.Yu.) is composed of arrears in respect to military supplies. And it is unlikely that we will live to see its repayment," a diplomat from the Foreign Ministry's Africa Desk believes.

Kozyrev's visit to Angola and his negotiations with this country's leaders provided no grounds for optimism. There is practically no hope of Luanda returning the war debts. And it is hardly to be thought that those who for many years sent civil war-torn Angola increasingly new tanks and aircraft seriously expected that one of the poorest countries of the continent would ever pay up on the promissory notes.

Assistance to the ideological ally was virtually noncompensable. Many contracts were not officially recorded anywhere, and thought was given to the compilation of

debt relationships at that time least of all. And this is complicating the already high insoluble problem confronting our diplomats attempting to obtain even partial compensation.

Neither the MPLA nor, even less, UNITA intend to repay their war debts. The termination of combat operations has lessened the Angolan authorities' interest in the "special relationship" with Moscow. Spokesmen for the government are already declaring openly that it will not pay for weapons with which Angolan blood was spilled. Nothing else was to be expected on the threshold of elections. The public would hardly support a party that wanted to spend on the repayment of debts currency resources which are meager as it is.

In respect to the peaceful, so-called "commercial," arrears the situation is different. The authorities are not officially renouncing them but nor are they in any hurry to pay them. The last, the ninth, deferment granted by Moscow expired on 1 January 1991. Since that time the debt has not shrunk by one cent. But neither has it increased, it is true.

Having learned to view the world realistically, we have finally abandoned the credit principle of cooperation with Luanda, switching to the commercial principle. The Angolans now pay in hard currency for the goods and services (for the maintenance of the military equipment, for example)—the same year, as a rule. And they pay punctually. This does not, of course, clear up the problem of past debts. The less so in that in their relations with Western creditors the Angolans are far more disciplined than with us. They pay either in dollars or in oil. We are receiving neither.

Recently Russian diplomats have been proposing various compromise options. The acquisition on the strength of the debt of real estate in Angola, for example, or an increase in the quota for our fishing boats in Angolan territorial waters. But Luanda is in no hurry to respond to these proposals.

There is one further way of solving the problem—selling the Angolan debts to Western companies. We could get 10, 15, 20 and in some cases up to 40 cents on the dollar and use them to solve economic problems here at home. This option has many supporters, primarily in the Ministry of Economy and Finance of Russia. The Foreign Ministry is categorically opposed.

"Having sold off the debts for a pittance, we would be leaving Africa conclusively. And would hardly return. The South Africans, Americans, and Europeans would replace us, and they are already displaying a tremendous interest in this region," a high-ranking official of the ministry believes. "The optimum solution would be to invest these resources in the development of African industry in order subsequently not only to recoup the expenditure but derive profit also. Both Angola and other countries indebted to us would, incidentally, have an interest in such a solution. But for this much patience is required of us. Will we have sufficient?"

COMMONWEALTH AFFAIRS

Poll Gauges Influence of CIS leaders

Moscow NEZAVISIMAYA GAZETA in Russian
20 Mar 92 pp 1,2

[Article by Boris Grushin: "In February, the Man of the Month in Russia Is Again Kravchuk: Public Opinion Leaders Believe That, As in January, He Most Influenced the Situation in Russia"]

[Text] These are the results of the second (February) poll conducted by the VP Service for Public Opinion Studies (headed by Boris Grushin) as commissioned by NEZAVISIMAYA GAZETA. The total number of respondents is 621.

The wording of the first question was as follows: "Which one of the political leaders of the states until recently republics of the Soviet Union is currently able to influence most (in a positive or negative sense) the course of events related to the life of Russia?"

Leonid Kravchuk was the No. 1 choice of 46 percent of the total number of respondents. Second place is still held by Boris Yeltsin (27 percent), and third by Nursultan Nazarbayev (9 percent). Yegor Gaydar and Aleksandr Rutskoy received only 1.4 and 1.2 percent of the votes respectively.

The wording of the second question was: "Would you define the influence of the person you named as positive or negative?"

The perception of the polarity of the leading figures' influence on the course of events in the country generally remained the same as it was a month ago: four-fifths of those who named Kravchuk had the perception that his influence was negative (43 percent) or extremely negative (37 percent); approximately as many of those who named Yeltsin, on the contrary, appraised his actions as more (27 percent) or less (50 percent) positive.

While the February and January snapshots display an outward resemblance, one cannot help but notice certain differences, behind which there is possibly a certain dynamic in the minds of the political and economic elite. It is a noticeably greater acknowledgement on the whole (including positive) of Kravchuk's role in the life of today's Russia, accompanied by a perceptibly growing critical attitude towards Yeltsin. Suffice it to say that in January Kravchuk was named No. 1 in six, and Yeltsin in four out of 10 groups of respondents; now this correlation is 9:2 (of 11 groups participating in the poll). Only the leaders of Moscow public organizations and directors of state enterprises and representatives of business circles remained "loyal" to Yeltsin, as they had in the past.

No Prophets in their Own Land:

The fact that for the second month in a row Leonid Kravchuk has been placed at the top of the list of

political leaders of the former USSR no longer seems unexpected, but nevertheless remains difficult to interpret. Especially if we take into account that the past month has been filled with more the usual activity on the part of Russia's leaders.

Unquestionably, the prevailing orientation towards the "political space of the former USSR," as well as the undying habit of looking not so much "inside ourselves" but rather "outside" in search of "external obstacles" and "external enemies," remain important. Of course, it is also a matter of a certain (this time more clearly expressed) discontent among the respondents in regard to the actions of the Russian Government. None of the representatives of Russian Federation executive power, or representatives of the Army, the Ministry of Internal Affairs, or the Ministry of Security, identified Yeltsin as the primary figure in the life of today's Russia. He was noted as such by only 4 percent of people's deputies of Russia. The rest of the Federation's political figures gathered less than 3.5 percent all together

Still Weak, But Alarming Dynamics

All of the above is additionally confirmed by comparing the results of the current and January polls.

Here, for instance, are the percentages of change among those who gave the No. 1 place to Kravchuk or Yeltsin in (comparable) groups of respondents in February as compared to January:

	Kravchuk	Yeltsin
On the whole	+7	+4
Russian people's deputies	+12	+4
Moscow people's deputies	0	+8
Russian executive authorities	+14	0
Moscow executive authorities	+2	-6
Representatives of the Army, Ministry of Internal Affairs, Ministry of Security	+50	-45
Representatives of business circles	+10	+6
Top media officials, journalists	-22	+24

This is how the appraisal of Yeltsin and Kravchuk's influence (positive or negative) on the life of the country changed (as a percentage of those who named a respective leader):

Influence on the course of events	Kravchuk	Yeltsin
Unquestionably positive	+1	-3
More positive than not	+3	+10
More negative than not	+4	-5
Unquestionably negative	-7	-1
No opinion	-1	-1

Of course, both sets of data are artificial to a certain degree and cannot be considered stable (since they rely

on only two measurements). Besides, in some instances they are contradictory. Still, I think a certain trend can be detected that reflects the growing interest of public opinion leaders in the figure of the president of Ukraine, accompanied by diminishing interest in the figure of the president of Russia.

Poll procedures

The research was conducted by the method of a telephone poll of public opinion leaders. Among the latter, 11 basic groups were differentiated: people's deputies operating on the level of Russia and Moscow; soviet members; representatives of executive authorities; leaders and activists of political parties and leaders of public organizations; representatives of the Army, the Ministry of Internal Affairs, and the Ministry of Security; enterprise directors; representatives of business circles; top management in the mass media; and famous journalists.

Struggle for Control of Secret Services

924C1073A Moscow MOSCOW NEWS in English
No 11, 15 Mar 92 p 8

[Article by Igor Amvrosov: "Who Will Control the KGB Successor Organization?"]

[Text] The Russian Security Ministry chiefs conferred in late February at Moscow's Lubyanka headquarters.

State power must control the special services. The logic of this has placed the current Russian secret services in the center of a "triangle," each "corner" of which aspires to possess full command over the special services.

One "corner" of that "triangle" is represented by presidential power. The president endorses the Regulations on the Secret Services by special decrees, and appoints secret service chiefs. Special services, in turn, are subordinate, in their everyday activities, to the president. But their work is still based on the (temporal) regulations issued by executive power, rather than laws.

The second "corner" of the "triangle" is the Supreme Soviet, which strives for control over the secret services both as constitutionalized legal regulation and as participation in the formation of the top echelon of secret services cadres.

The third "corner" of the "triangle" is formed by members of the parliament who worked in the commissions investigating KGB involvement in the putsch. They are particularly active and regard the current secret services as a threat to society, likewise the KGB vis-a-vis the USSR.

On 21 February the Supreme Soviet passed a decision reflecting both views on the secret services prevalent in parliament. According to that decision, the Supreme

Soviet has the right to supervise planning and implementation of secret service operations, as well as the function of the cadres policy and spending of the budget passed by parliament.

If that decision is put into action, the specific work of the secret services will come to a halt, believe the officers.

The 21 February decision is not the last stage of development in the struggle for control over the secret services. Presidential response was prompt: on 25 February the president issued a decree declaring the right to direct the secret services and appoint their top echelon as another presidential prerogative.

Promises to adopt laws designed to regulate the work of the secret services were unrealized.

Due to a series of changes in the secret services only one aim was achieved: they will scarcely become the motive force of any potential anti-governmental putsch.

But are the secret services still able to carry out their direct function of ensuring state security?

First Issue of TRETYE SOSLOVIYE Newspaper Reviewed

PM0204133992 Moscow IZVESTIYA in Russian
28 Mar 92 Morning Edition p 8

[Valeriy Konovalov report: "The Best Advertisement for This Newspaper Is Its Editor"]

[Text] A new publication is appearing at a time when many newspapers are closing down and reducing their circulation and frequency of publication. This in itself is already something of interest. What is more, the newspaper TRETYE SOSLOVIYE [The Third Estate], whose first issue has only just come out, is aiming at a readership with much future in our society—the free market entrepreneurs.

"Our newspaper's theme," the editorial office states, "is the resurgence of the man of free labor in free market business, the unification of the material and spiritual bases, and a wide range of sociopolitical problems which concern society."

Those writing in the first issue include Mikhail Gorbachev, Gennadiy Lisichkin, Nikolay Shmelev, Vadim Zagladin, and others. Its 12 pages contain quite a lot of varied and serious material for entrepreneurs and private farmers, cooperative members and bankers, and, incidentally, for the widest range of readers.

The new newspaper's founder is the confederation of entrepreneurs' trade unions "Konsolidatsiya." But perhaps the most important thing which draws people to this publication and determines its undoubtedly high standard is figure of its chief editor. There is no need to introduce and describe him, since he is Aleksey Adzhubey [N.S. Khrushchev's son-in-law and former IZVESTIYA chief editor].

POLITICAL AFFAIRS

Source of Russia-Ukraine Conflict Examined

92UN10094 Kiev SAMOSTIYNA UKRAYINA
in Ukrainian No 9, Feb 92 p 1

[Article by O. Chabaryvsky: "The Roots of Conflict in the CIS"]

[Text] Although the so-called Commonwealth of Independent States [CIS] that formed after the collapse of the USSR has been in existence for only a short time, it is not possible to speak of "harmonious" cooperation among its members. Instead, conflicts are flaring up within the framework of the CIS, which demonstrate that the viability of this entity is very precarious. The key figures in the conflict are Russia and Ukraine. Nor does the conflict center only on such controversial issues as those connected with the army and, in particular, the Black Sea fleet; it is also about differences in foreign and economic policy.

The fundamental causes of the conflict between Ukraine and Russia must be sought primarily in the historical past. The Russians, be they right wing, of Solzhenitsyn's ilk, or liberal democrats like Yeltsin, are all victims of the imperial Russian interpretation of the history of East Slavdom and in particular of the history of Rus, especially of Kievan Rus. For them, Kievan Rus was the "cradle" of the Muscovite Principality, subsequently Russia, and therefore an integral part of the so-called "thousand-year-old" Russia so frequently invoked by Gorbachev. As we have already noted, these notions are deeply ingrained in the minds of today's ruling Russian democrats.

It would appear that these democrats are very much inclined to share the "historical" reflections of Solzhenitsyn, which he expressed in his "How To Better Russia." This work defends the principle of "one indivisible Russia" by claiming that the Muscovite state had been created by the people of Kievan Rus and that the Little Russians [malorosy] in Lithuania and Poland regarded themselves as "Russians" and fought against Polonization. In a recent article entitled "Madness," the conservative imperialistic LITERATURNAYA ROSSIYA shed bitter tears over the fact that "former Russia no longer exists" and called this "an absurd development." "Its (Russia's) integral part, its historic core, the land of our ancestors (Kievan Rus) has fallen away. The living state organism has been rent by an enemy axe."

A closer examination of the policies of Russia's present leaders reveals that the external political phraseology about "neighborly" and "equal" relations among the members of the CIS always cloaks practical measures aimed at ensuring the "unity" of imperial Russia through its domination of the CIS, or, put another way, measures aimed at transforming the CIS into a "renewed" Union. Contrary to the agreements made in Minsk, or rather by interpreting these agreements in their own way, the Russian political leaders with Yeltsin in the lead want a unified army under so-called joint CIS command, a unified foreign policy, and a unified economic space.

Herein lie the principal sources of the conflict between Ukraine and Russia. Do not Russian President Yeltsin's words that the Black Sea fleet always has been, is now, and always will be Russian "smack" of Solzhenitsyn's ideas? Moreover, Yeltsin deliberately used the term "rossiyskiy" instead of "russkiy" to underscore that this is the fleet of imperial Russia.

Examining current political attitudes in Russia, Gorbachev's former adviser, G. Shakhnazarov, has said that there are now two political currents in Russia. The representatives of the first believe that Russia should rid itself of the various republics and concentrate on its own development inasmuch as she has the necessary potential for this. Those belonging to the second current feel that what was created by their ancestors may not be broken up. In their view, Russia is not only the Russian Federation, but everything that existed until now—in other words, the USSR.

It is safe to say that the present leaders of Russia, or at least most of them, belong to the latter category. Their current policies within the framework of the CIS attest to this. Immediately after the collapse of the USSR, Yeltsin issued a ukase by which Russia took over the Ministry of Foreign Affairs of the former USSR, as well as all foreign representations of this ministry. As a result, a new conflict is brewing between Ukraine and Russia, as well as between Russia and other member republics of the CIS, regarding the division of the property of the embassies and consulates of the former USSR around the world. So far, Russian flags are flying over the majority of these embassies, and it appears that Ukraine, which has been recognized by 101 countries, has to organize its diplomatic representations without having the necessary premises for this, because existing facilities have been claimed as the "property" of Russia, which regards itself as the successor of the USSR.

As already noted, a similar "all-Union" political approach also characterizes Russia's policy with respect to the army and economic cooperation. With complete disregard for everything, Russia began her economic reforms by liberalizing prices—a step that has not had any positive results. Yet it forced the other member states of the CIS to apply the same economic measures.

Under pressure from Ukraine and the other former republics, Russian politicians are sometimes forced to back down. Nonetheless, there is a ring of truth to the following words: "With each passing day, it is becoming more evident that the CIS is only a maneuver for Russia."

Church Spokesman Denies Patriarch-KGB Links

924C0896A Moscow IZVESTIYA in Russian 3 Mar 92
Morning Edition p 3

[Article by Deacon Andrey Kurayev: "Patriarch's Unknown Letter: It Had Been kept in the CPSU Central Committee Archive Classified as 'Top Secret'"]

[Text] On 17 December 1985, Aleksiy, the metropolitan of Tallinn and Estonia and administrator of affairs of the Moscow Patriarchy, sent a letter to the CPSU Central Committee's General Secretary M.S. Gorbachev. On 13 March 1986, this letter was the first item on the agenda of the CPSU Central Committee secretariat meeting. Sometime later, a new administrator of affairs appeared in the Moscow Patriarchy (with Patriarch Pimen being old and sick, this was a key position in the church), while Metropolitan Aleksiy had to move from Moscow to Leningrad, to return from there only in 1990 as a freely elected Patriarch of All Russia.

This is the outward outline of events, which deserves a closer look; in connection with the discussions, just what exactly were the real relations between the Russian Orthodox Church and the communist power.

The substance of Metropolitan Aleksiy's letter is condensed in the following paragraph: "The law on separation of the church from the state does not mean at all that the church is outside the state and the believers are outside the Soviet society. On the contrary, the church is linked with the state by thousands of visible and invisible threads. The separation of the church from the state does not preclude cooperation between them; moreover, only with separation is a true cooperation possible. The church could actively and resolutely fight against various vices and illnesses of the society, promoting spiritual and moral health of the people..."

The letter is put together in accordance with all the rules of Soviet ethics: It does not challenge overtly the policy of the state, does not engage in polemics with its ideology, and offers cooperation. These days it could even be seen as an offer to submit itself into ideological service to the communist state. The metropolitan's appeal may be interpreted this way, however, only if one thoroughly forgets the rules of political behavior in the communist state. The people who remember the principles of communication and political analysis of those years understand that the main point here is between the lines. It was this "main point" the experts in the Central Committee's propaganda department saw in the metropolitan's letter.

The Central Committee Secretariat resolved to "approve the conclusions" of the propaganda department that "some clerics are striving to make the church influential in public life. These moods found expression in Metropolitan Aleksiy's letter. The letter displays the desire to increase the prestige and the de facto rights of the church by securing for it some sort of partner relationship with the state in resolving socioeconomic and cultural tasks." In this connection, the Council on Religious Affairs is directed "in the conversation with the author to emphasize that the task of the church is to fulfill the religious needs of the believers without interfering in matters that belong to the sphere of the political system of the Soviet state... Orthodox, Muslim, and Catholic organizations conduct propaganda and missionary activities, persistently search for forms and methods of influencing the rising generation and youths, put social and moral themes on the forefront, and strive to bring social and moral ideals of religion and socialism closer together. In these circumstances, it is not advisable to give religious associations additional opportunities to influence the population. It is expedient to perfect by all available means atheistic upbringing, and to strengthen the supervision of how the decisions of the CPSU Central Committee are being carried out."

Thus, the Central Committee quite correctly appraised Metropolitan Aleksiy's letter as an attempt to widen the church's sphere of influence, as an "intellectual transgression" and as a direct disagreement with the "Central Committee's directives regarding these matters." Thus, I must apologize for not quite correctly describing the consequences of Metropolitan Aleksiy's letter last June. At that time, in ROSSIYA's special edition on Patriarch Aleksiy, I told of this letter and advanced an assumption that "this letter provided that spur that started the perestroika in the relationship between the state and the church." As it turned out, it is not quite correct. Well, the more attractive the looks of the moral stance of Metropolitan Aleksiy, who took a rather risky step (without having it approved by Patriarch Pimen, the Synod, or the Council on Religious Affairs), taking responsibility for reminding the head of an atheist state that the church in his country is relegated to a position unworthy of it.

Still, the reaction was much milder than one could expect even a year earlier. First, it nevertheless was decided to provide the author with a "reply in regard to issues raised in the letter"; he was not declared insane, an extremist, or an enemy of the people. Second, the resolution did call for "rooting out the incidents of running things by decree in regard to believers." One did come across such phrases in party resolutions before. In this document, by the way, the organs of authority are also instructed to "inhibit attempts to use religion to the detriment of the interests of society and the individual," and the USSR KGB is instructed to "prepare proposals on putting the training of clerical cadres in order."

In the past, it is this kind of specific instruction of a repressive nature that got "implemented," while the declarations on guarantees of the rights of believers

remained declarations. Now, in 1986, however, the reverse has happened: The development of the social situation has led to the point where "withdrawal from methods of running things by decree" was increasingly more becoming a reality, while the KGB control over the life of the church was increasingly becoming an ideological-reporting formality. For instance, this resolution of the Secretariat directs the Council on Religious Affairs and the KGB to "look into the matter of increasing the number of students in clerical educational institutions trained for international activities." In reality, this sentence meant that the church would increase in real terms the number of seminary students and priests, that a ban prohibiting people with Soviet higher education degree from enrolling in seminaries would be removed, that it would become possible to improve the quality and the volume of instruction in religious educational institutions—while the hierarchs would calm the chekists down with ideological declarations that all of this is necessary in order to increase the effectiveness of the patriarchy in its external political peace-making service.

The Central Committee resolution permits—for purposes deemed to be in the party's interest—a "systematic coverage by the mass media of the peace-making activities of the church"; in reality, the result will be that the church will get the opportunity to remind millions of people of the mere fact of its existence, that it has not disappeared, and that one may remain faithful to Christ in the end of the twentieth century. These seemingly abstract peacemaking sermons "about nothing," "about the Eternal" that soon bored everyone, nevertheless accomplished their task: The people were reminded of the church and asked a natural question: "Why are we taught to hate the faith and the Bible? What is so bad in what the priests teach? Why have we been forced to forget the road to the temple?"

The objective result was this: Metropolitan Aleksiy put himself in jeopardy and received his share of reprimands and trouble from the Council on Religious Affairs... Six years later, however, the people who had the courage to speak with the executioners in their own language so that the church could stay with the people would be declared "chekists in cassocks."

I have no intention here to exonerate or to judge those bishops about whom disclosures have been published. Moreover, I will say that any compromises with an antireligious power are deceptive and dangerous, because it is hard to notice the line where practically unavoidable become morally impermissible, and it is even more difficult to stay on that line. I also know that there have been hierarchs who agreed to political compromises for the sake of protecting the church (for instance, even the saint Patriarch Tikhon at the end of his martyr life was forced to assure foreign correspondents that there was no persecution of the church in the Soviet Union); but there were also those who agreed to be obedient to the organs only for the purpose of speediest advancement of their own career. In any case,

as the story with Metropolitan Aleksiy's letter to Gorbachev shows, the current Moscow patriarch does not belong with the latter. Aleksiy's goal has been and remains for the church, having become truly independent from the state, to appear truly as equal to it in the public life. This position of the patriarch may be viewed differently by different politicians, but one thing is clear: To call Patriarch Aleksiy a "KGB stooge" and "betrayor of the interests of the church" means to ignore elementary facts.

KURAYEV, Andrey Vyacheslavovich, 29 years old, graduated from Moscow State University with a major in philosophy, the Moscow Ecclesiastical Seminary, and the Theological Institute in Bucharest. Since September 1990, he has worked as an aid to Patriarch Aleksiy II.

ECONOMIC AFFAIRS

ILO Official on Unemployment Future in CIS

924A0877A Moscow ROSSYISKAYA GAZETA
in Russian 31 Mar 92 p 7

[Article by Andrey Fedyashin: "Fifteen Million Unemployed"]

[Text] This year, more than 15 million manual and office workers are unemployed in the republics of the former Soviet Union. Thirty million more workers in the state sector of the economy are on the verge of unemployment owing to the decline in production. These facts were made known during an interview with Gay Stending, an ITAR-TASS correspondent and an MOT [Mezhdunarodnaya organizatsiya truda; International Labor Organization] expert. Over the course of one and a half years, Stending, together with other MOT specialists, carried out a thorough study of the situation at plants and republics of the former USSR republics.

"Our study was based upon an extensive review of the situation at 500 plants and factories of the former USSR, upon discussions with their managers and upon a thorough study of the manpower market," stated Doctor Stending during a discussion. "Judging by the review and other data, more than one fourth of those working at the present time may be discharged. Almost all of the plant and factory managers with whom we held discussions claimed that at the present time their enterprises had 25 percent more workers than actually needed. And this despite the fact that the facilities are operating at only 70 percent of their capability."

In the opinion of the MOT expert, the growth in unemployment will be the most negative aspect of the conversion over to a market economy. It will be further aggravated by the fact that there was almost no system for unemployment payments in the former USSR, or the money simply never reached those it was intended for.

"This is occurring owing to the fact that the conditions for providing assistance were modeled after the West European and American systems and at the present time you do not have a manpower market in the states in these regions," continued Stending. "For example, one condition for obtaining assistance is registering at a labor exchange. But throughout the entire country there are only several such exchanges."

According to the MOT experts, although the economies of Russia and other republics will in the final analysis gain from the conversion over to the market system, nevertheless during the present stage there will be many tragedies caused by the disparity between the economic situation and the social protection system.

Among the chief reasons for the expected increase in unemployment, he mentioned the complete failure of the system which existed earlier for delivering raw materials and component parts to the many plants and factories, many of which now find themselves on the territories of independent states. In addition, the central government was unable to ensure timely deliveries of the money needed to pay for the wages of workers.

At the same time, Stending indicated that it would be inadvisable for the CIS [Commonwealth of Independent States] to employ the principle of economic "shock therapy" for the general privatization of plants and factories. In his opinion, there is more to be gained from the leasing of enterprises by the people working at them.

Energy Crisis, Way Out Viewed

924A0860A Moscow *EKONOMIKA I ZHIZN'*
in Russian No 10, Mar 92 p 1

[Article by L. Khrylev: "Power Engineering: How to Get Out of the Crisis"]

[Text] **An economic survey**

The crisis in which power engineering finds itself has been discussed with increasing frequency lately. This concern is caused by a sharp drop in the extraction of oil and coal, a slowing down of gas-industry development, and a practically frozen level of power generation. What were the causes of this drop? The most important of them: the technical lag of branches of the fuel-and-power complex (TEK) and the lack of an active economic mechanism that includes improvement in setting prices, a policy of innovation, the use of economic stimuli for saving energy, and the broad development of new forms of management.

Above all, it is necessary to single out power engineering, which has always been considered the leading branch of the economy, and, therefore, as a rule, the desirability of speeding up its development has been emphasized. But the introduction of new capacity has been cut 3-fold to 5-fold versus what had been proposed. The generation of electricity therefore apparently has been frozen at one level: while it was 1,722 billion kWh in 1989 and 1,726

billion kWh in 1990, it was reduced to 1,680 billion kWh in 1991. About 60 million kW, or 18 percent, of the rated capacity of all the industry's power stations, have worked out their rated service life, and 25 million kW of this capacity are subject to dismantling for operating-safety reasons, and about 45 percent of the active portion of the fixed production assets have been operating more than 20 years.

In the oil industry the level of recovery has been reduced from 607 million tons in 1989 to 508 million tons in 1991. This was caused not only by an increase in the proportion of poorly productive reserves that occur under the more difficult geological conditions of Tyumen Oblast, but also a lack of the necessary support in materials and equipment. Only 14 percent of the industry's operating equipment meet world standards, and 22 percent require replacement because of its operating condition.

In the oil refining industry, wear on fixed assets at most enterprises located within Russia has reached 90 percent of the original value. The situation that has transpired does not allow support for the national economy's rising needs for petroleum product in the required variety and quality, and the industry itself is not ready to work at a steady pace and free of accidents.

For many years the gas industry has been developing at a rapid pace with average annual increases in gas recovery of 40-45 billion m³, but growth fell to 26 billion in 1989 and to 19 billion m³ in 1990, while in 1991 it did not increase at all. Because of the shortage of capital investment and supply and equipment resources, the rate of construction of new trunk gas pipelines and their taps and of distribution grids has slowed. There has been a substantial lag in assimilating the Yamburg, Karachaganak, and Astrakhan fields. Only 10 percent of the production assets in this industry meet the world level, and about 15 percent are subject to replacement.

In the coal industry a trend that is marked by a reduction in the amounts of coal mined and by a worsening in the processing and shipment of it to the population and the national economy has intensified. Actually, while 731 million tonnes of coal were mined in 1989 and 704 million tonnes in 1990, about 610 million tonnes were mined in 1991. The main reasons for this situation are: direct losses because mines were shut down as a result of miners' strikes, difficulties in getting railroad cars, the low quality of the plentiful coal supplied by strip and open-pit mining, the retirement of productive capacity, and the failure to compensate by introducing new capacity, especially in the Donbass [Donets Coal Basin] and Kuzbass [Kuznetsk Coal Basin]. Almost 70 percent of the underground-mine inventory consists of mines that were put into operation more than 30 years ago and require urgent rebuilding. Only 15 percent of the equipment at them meets the world standard. As a result of the aging of the inventory of underground and strip mines, there is an intensive retirement of production capacity for mining coal. The chief cause lies in the backwardness

of the social sphere and in the low standard of living of the miners and their families.

Thus the fuel-and-power complex is seemingly stopped in its development, and individual branches of it (oil and coal) have begun to roll backwards.

How to provide for the operating stability and further development of fuel-and-power complex industries and to increase the efficiency and reliability of functioning of the branches that comprise it? Primarily, economic stimuli must be provided for the people who live in areas where new power-engineering facilities are being built, and budget estimates for rebuilding and erecting facilities for solving social and ecological problems must give due consideration to an economically justified share of their cost. This will allow a large number of power-engineering facilities whose construction was stopped at the demand of local authorities and society to be "unfrozen." Thus, in electric-power engineering alone, about 60 sites for erecting electric-power stations with a total capacity of 160 million kW have been "frozen."

Right now the necessity for a careful consideration of them and the desirability of erecting thermal and hydraulic power stations of average capacity, as a rule, have been justly substantiated. Recommendations are put forth for the wide development of small-scale power engineering and for the use of local resources, including recommendations for the construction of nontraditional renewable energy sources. Where gas is available, the erection of gas-turbine and steam-and-gas electric-power stations of small and medium capacity for the combined production of electricity and heat is proving to be efficient.

Capital investment for the construction of new or the expansion of existing power stations for local and republic purposes should be allocated by the appropriate soviets of people's deputies and on a shared basis with the industrial enterprises that are consumers of electricity or heat. But only large electric-power engineering complexes that are of a state or interrepublic nature can get centralized capital investment. Under these terms, the sovereign republics and individual regions are showing a striving to balance the production and consumption of electricity and the introduction of capacity within their own borders, being oriented to the necessity for satisfying only their own requirements.

A more complicated situation has taken shape in the oil-refining and coal industries, which cannot be reequipped without getting "outside" investment. The "outside" investors should be the sovereign republics and states and foreign partners. As for the gas and oil industries, they apparently can, but with great difficulty, provide themselves with investment. However, a considerable acceleration both in further growth of gas recovery (or stabilization of oil recovery at an economically

justified level) and in modernizing and rebuilding these industries cannot be achieved by depending on "in-house" efforts alone.

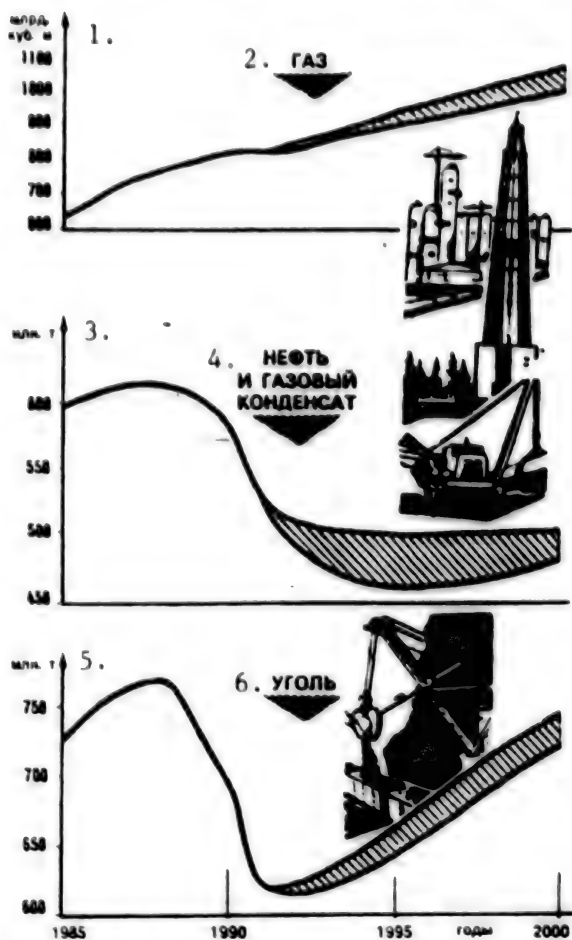
It seems that at this crucial stage in developing the economy, the role for foreign investment in power engineering, primarily in assimilating new large fields (of the Shtokmanovskiy gas-field type in the Barents Sea, or the Caspian area oilfields), in large-scale reequipping of TEK branches (especially the oil-refining industry), and in introducing new operating methods for recovering oil, burning coal, and generating electricity, can be considerable. We are justified in viewing energy saving as less capital intensive than a further increase in the recovery and production of energy resources, and as a most important nationwide task. And this, in turn, requires the development and enactment of appropriate legislation and the introduction of active economic stimuli that will permit people to be thrifty in consuming fuel and power resources.

Only by a rise in prices for power-engineering resources will the problem of saving be solved. New low-powered technologies and monitoring instruments must be used widely, and the need for economical consumption of fuel and energy must be considered in the construction of buildings. An energy-saving policy should combine stimuli for saving with substantial penalties for overconsumption of fuel and energy. It is important that each republic and sovereign state develop these stimuli and pay great attention to the policy as a whole of saving energy. The forming of large production-operations complexes on the regional branch principle, fully motivated toward the final result, will continue in the main extracting and energy-producing regions. Such complexes can be financially stable only by creating within them organizational structures of the consortium, concern, and association types for economic management.

Taking into account the importance of power-engineering resources for the national economy, the retention of a substantial share of state property for TEK branches is necessary. However, the joint-stock form, with a distribution of share packages among republic and local organs of authority and labor collectives, is completely acceptable for other enterprises. Medium-size and small enterprises can be transferred to local organs of authority with later turnover to a concession or for lease, or they can be sold to the working collectives.

Based upon the conditions for realizing the new economic mechanism and for evaluating the national economy's requirements for fuel and energy, possible trends in the development of the TEK branches over the long term have been determined. It is evident from the drawing that eventually a considerable increase in the recovery of gas, practically a stabilization of the level of oil-production, and a gradual build-up of coal mining are expected.

Gas, Oil, and Coal—the Dynamics of Extraction



Key:

1. Billions of m³
2. Gas
3. Millions of tons
4. Oil and gas condensate
5. Millions of tons
6. Oil

Kazakh-Russia Railroad Agreement

924A0890A Moscow GUDOK in Russian 28 Mar 92 p 1

[Agreement signed at Uralsk [date not given]: "Agreement Between the Republic of Kazakhstan and the Russian Federation on the Coordination of Railroad Transport Activity"]

[Text] The Republic of Kazakhstan and the Russian Federation, hereinafter the Participating Parties:

based upon the Agreement on the Principles and Terms for Mutual Relations in the Field of Transport;

confirming the inalienable right of ownership of railroad transport within the bounds of their national borders;

considering it to be desirable to preserve the operating unity of the railroad transport network;

recognizing the exceptional importance of the haulage of passengers, as well as freight, both in mutual shipments and to third countries;

attributing importance to the coordination and joint activity of railroad transport of both states; and

based upon the Agreement Between the Russian Federation and the Republic of Kazakhstan for Removing Restrictions on Economic Activity, have signed this Agreement about the following:

Article 1.

The functional activity of the railroad transport of the Participating Parties is executed through unified standards for the manufacture and maintenance of rolling stock and operating equipment, the provisioning of running safety and work safety, the organization of hauling operation and the protection of freight, and the interaction of railroad transport with the users of its services and with other types of transport.

Article 2.

Mutually coordinated charges are in effect on the territory of the Participating Parties for hauling passengers and freight in interstate communications.

The haulage of passengers and freight between the railroad yards of both countries will be executed on the basis of the standardized documents that are in effect at the time of the signing of this Agreement.

In organizing the hauling of freight from countries of Western Europe to countries of the Middle and Far East and the Asiatic-Pacific region and in the reverse direction by transiting the railroads of the Russian Federation and the Republic of Kazakhstan, the Parties will coordinate their actions by drawing up a charges policy with a view to attracting additional freight traffic on these runs.

Article 3.

The Republic of Kazakhstan and the Russian Federation have agreed to retain their participation in the contracts and agreements on the international haulage of passengers and freight by railroad transport that are in effect at the time this document is signed.

Article 4.

The Participating Parties have agreed:

- to retain the operating boundaries between the railroads that existed on 1 January 1992, as well as the organizational structure and the joining of the line sections of one state that are located on the territory of another state to the railroads of that other state;
- to consider it necessary, with a view to raising efficiency in operating the railroads, to establish a system of economic responsibility for violation of the operating parameters for haulage operations;

- to observe mutually coordinated obligations on the acquisition, maintenance, and repair of the car fleet;
- to retain the existing scheme for the handling of passenger trains, for the direction of flows of cars and freight, for the plan for forming freight trains, for the distances when providing trains with traction equipment and train crews, and for executing changes through mutual arrangements; and
- to grant the appropriate organs that control railroad transport the right to negotiate on economic evaluation and on the consideration of mutual interests, as well as on determination of the procedure for preparing and approving the operating parameters of haulage work

Article 5.

State enterprises and organizations and bodies that supply materials and equipment to the Russian Federation and the Republic of Kazakhstan will provide for the mutual delivery of machinery, equipment, spare parts, and material resources for the needs of railroad transport within the amounts of interstate deliveries.

Article 6.

The Participating Parties consider it desirable to coordinate social policy relevant to the working collectives of railroad transport, informing each other of the decisions that are being made, and they have agreed to preserve on the territories of their states previously established vocational privileges.

Article 7.

The Participating Parties have agreed to coordinate and execute a unified scientific and engineering policy for railroad transport. Scientific-research and design organizations and plants that make machinery for transport will, when creating new railroad machinery and equipment, consider in separate agreements and specifications the climatic and operational conditions of the republics of Kazakhstan and Russia.

Article 8.

The Participating Parties have agreed that engineers, technicians, and personnel of widely used vocations will be trained in accordance with unified methodologies and teaching and practical aids, and the qualification documents given out upon completion of the training institution will have equal jurisdictional force on the territory of both states.

Article 9.

The Republic of Kazakhstan and the Russian Federation have agreed that the Ministry of Railways of the Russian Federation and the Ministry of Transport of the Republic of Kazakhstan will, in the necessary cases and with the participation of other administrative bodies,

prepare and sign operating protocols for the realization of this Agreement.
Article 10.

The Republic of Kazakhstan and the Russian Federation declare that this Agreement is open for signing by any independent state whose railroad network has an operating connection with the railroad network of the Participating Parties or of another state which has subscribed to this Agreement.
Article 11.

This Agreement takes effect on the day of its signing and will be in effect until its denunciation by one of the Parties, which will inform the other Party about it six months prior to the day of its denunciation.

This Agreement was prepared and signed in the city of Uralsk in two copies in the Russian language.

Railway Science Chief on Need for Development

924A08634 Moscow GUDOK in Russian 10 Mar 92
pp 1,3

[Interview with Igor Vladimirovich Kharlanovich, Scientific-Technical Main Administration chief, by L. Shirokov, GUDOK correspondent; date and place not given: "Science Is the Capital of the Future"]

[Text] It is no secret to anyone that the country, which invests more assets in science, will win in economic competition. The science-intensive branches, like a locomotive, pull all the other "railcars" of industry behind it.

They understand this very well in Japan and the United States. Perhaps that is why their transport science is outstripping ours like a high-speed train using magnetic suspension—the brothers Cherepanov's steam-engine.

Money is the best fuel for the locomotive of science. It is money that determines the heat in its fire-box. However, no one has money now. For many, it has almost become an axiom that the main thing now is to survive—to survive at any cost and by any means. In this respect, everyone is forgetting that a rise inevitably follows a slump. If we do not think about the future, we will yearn for the 1913 level looking with envy at the rears of transoceanic super-high-speed trains disappearing over the horizon.

Whereas previously everyone understood the need for centralized financing of scientific research, the railroads, having acquired independence, have now begun to think: Is it worthwhile to invest today's ruble in tomorrow's rather problematical process? It is quite realistic that an independent calculation of profits will turn into "independence" from scientific and technical progress.

Will the railroads be able to combine their efforts for the centralized financing of scientific and technical work? I turned to I. V. Kharlanovich, Ministry of Railways Scientific-Technical Main Administration chief, with this question:

[Kharlanovich] The railroad complex of the CIS [Commonwealth of Independent States] countries is one—one cannot get away from this. This means that in order to

for expanding design, technological, testing, and experimental work on the railroads

Railroad design and technological bureaus (DKTB) now function on all Russia's railroads except the Moscow. During 1991 alone, 16 DKTB produced products valued at more than seven million rubles using their own forces. The amount does not seem great but no industry produces these products for us. One should point out that the volume of their work, beginning in 1986 when they were established, has grown fivefold. The best bureaus are on the Sverdlovsk, South Urals, East Siberian, and other railroads.

In addition, large capabilities exist in our scientific and design organizations. Experience shows that the establishment of small enterprises, engineering centers and temporary creative collectives in this area significantly increases the effectiveness of work and provides noticeable results.

One can cite as an example the Tekhnovotrans small enterprise, which was established on the base of the Moscow-3 Railcar Depot. The enterprise produces spare parts for passenger cars delivered from Germany. As a result, this enterprise's specialists have established and mastered the serial production of a number of items during the last year and a half. This has permitted us to decline imported purchases totaling on the order of three million marks.

The designing of the Ekspress-2 system, which is known to everyone, by a temporary creative collective can serve as another example.

It is possible to understand the Scientific-Technical Main Administration's policy—with the decrease in investments, to search for inner reserves and use existing potentials more fully—although this probably should have been thought of much earlier.

There is something for the directors of the "sovereign" railroads to think about. Will their extremely compressed financing turn into a hole-patching policy? Then, we will remain at today's level in the best of cases. Our "today" long ago became "the day before yesterday" for civilized countries. This lagging behind will grow in geometrical progression if we do not now begin to think about investments in basic science and, in point of fact, about investments in tomorrow.

Future of Airline Industry Viewed

924A0887A Moscow VOZDUSHNYY TRANSPORT
in Russian No 13, Mar 92 pp 8-9

[Interview with I.N. Shokin, lead scientific associate of the National Economy Forecasting Institute of the Academy of Sciences, by VOZDUSHNYY TRANSPORT correspondent B. Sidorenko: "A Time to Die or a Time to Live?"]

[Text]

[Sidorenko] Igor Nikolayevich, this is a very difficult time for aviation. Perhaps even a fateful time. After all, the question now is really whether or not there will be any air transport in the economic space which we called the Soviet Union until recently.

I visited Perm and Ashkhabad recently. "We have always been consistently profitable," I. Grachev, commander of the Perm OAO [Unified Aviation Detachment] began. "But this year we have become unprofitable, and our losses are rising rapidly and disastrously. How do we continue to survive?"

And this is what V. Smirnov, general director of "Turkmen Airlines," said with the same mental anguish after seeing how Turkmen aviators are being received in Kiev and Rostov: "Tears come to your eyes when you see how the crews, the passengers, and the flight operations staff are treated. Everything is being done either too primitively or at the level of local deception, if only to push out the crew. The airport services at Kiev and Rostov are concerned only with commercial affairs. A Boeing lands at the airport, as an example, and it is serviced instantaneously. But no one comes to the 'Turkmenavia' aircraft or walks toward them."

Igor Nikolayevich, you have been studying aviation's problems for about three years now. You have spoken to collectives of aviators more than once. Just what is happening with them?

[Shokin] The situation in civil aviation is very difficult now, of course. This stems from two factors. First of all, the technical condition it has been in for quite a long time, regardless of current events. And secondly, the additional problems brought about by the collapse of a unified state, on one hand, and the actions taken by the Russian Government with respect to Russian aviation on the other hand.

If we are speaking about the technical condition, the fleet of aircraft is in an advanced state of deterioration. For practically 20 years, if not longer, there have been no new models of aircraft. And even today, the Il-96 and Tu-204 are not ready, for practical purposes. In addition, the prices set for them by the manufacturing enterprises are more than the airlines can afford.

[Sidorenko] The Il-96 now costs over 250 million [rubles].

[Shokin] It is already 560 million, and 480 million for the Tu-204.

The condition of the aircraft fleet had a particularly bad effect when prices were liberalized and transportation tariffs were retained under centralized state control. Tariffs were raised by three to five times as much at a time when the prices for engine repairs increased by 10 times as much or more. The Il-76 costs 140 million rubles [R] today. I do not think one enterprise could purchase it with the money it earns.

achieve some kind of noticeable progress in it, the common centralized development of science is required. Fortunately, practically all directors of the "sovereign" railroads understand this. That is why the Scientific-Technical Main Administration developed with the participation of the main engineers from all railroads and scientific research institute directors during November of last year a procedure for organizing and conducting research and design operations.

The decision was made to use one percent of the income from shipments (the expenditures have been included in the new tariffs) for these purposes; centralize half of this money to finance research, testing and design work of branch-wide significance (in accordance with subjects agreed to with the railroads); and leave the rest with the railroads to perform work and introduce developments of regional and local significance. A portion of the assets from the central fund (approximately a third) will be transferred to the railroads for introducing test models of finished scientific research work.

This decision was adopted unanimously by all railroads, except the Baltic ones. Their representative said that they do not want to deposit money into this fund; they will finance individual tasks. We, in turn, collectively decided to sell completed works at contract prices to railroads not joining our commonwealth. The other railroads participating in the establishment of a central fund will enjoy the right to use the results of scientific research free of charge.

[Shirokov] Igor Vladimirovich, now, when investments are falling and there is no money, what policy will your administration stick to?

[Kharlanovich] With the steady drop in the volume of shipping operations and the sharp increase in prices for hardware components, materials and equipment, the problem of reducing the costs of rail transport's production activity is first and foremost. That is why our task is seen to be the development and widespread introduction of new resource-savings technologies based on the use of new techniques, automated control systems and advanced methods for organizing work.

The first steps in realizing this approach have already been taken. On our administration's initiative, the subject list for scientific research and development work during 1992 was examined and approved during a meeting with the railroads' chief engineers. Groups of experts have been established for four main avenues: problems in managing the shipping process; problems with rolling stock, electrification and the improvement of track, automatic equipment and traffic safety; complex questions on transport operations; and scientific research.

[Shirokov] Many industrial enterprises are now beyond Russia's limits and Russian plants are sharply reducing the production of transport equipment. How do you think we can get out of the situation that has been created?

[Kharlanovich] When expanding activity in the area of scientific and technical progress, we cannot fail to take into consideration that a number of industrial enterprises and organizations, which are designing new transport systems, are on the territories of the newly independent states. These are the Tbilisskiy Electric Locomotive Construction Plant, Luganskteplovoy Production Association, Rzhvskiy Railcar Construction Plant, Rzhvskiy Electrical Engineering Plant, and others. With the support of Russia's minister of railways, the preparation of proposals for concluding contracts within the commonwealth's framework in the area of scientific and technical cooperation and the development of common normative documents (PTE [technical operating rules], signaling instructions and branch traffic safety instructions), providing scientific and technical information; exchanging progressive experience; and using the cooperative system, which has taken shape, for the production of signaling and interlocking devices and spare parts and the repair and modernization of rolling stock, has started.

In the very near future, we will send our proposals to all railroad directors. However, it is necessary to think about expanding our own production base on railroads and in scientific subunits and use the scientific and technical potential of associations and organizations, which were previously in the military industrial complex and which are subject to conversion, more broadly.

This cooperation has already begun. Working with the St. Petersburg Konvent concern, which includes a number of defense and civilian enterprises, the draft of a program for scientific research and work to be carried out in the railroad's interests has been prepared. This involves primarily the use of new materials and resource-savings technologies, the designing of emergency recovery equipment, the use of developments in the area of information science and communications systems, the use of laser technology, and ecological questions.

A number of contracts have been concluded with other military industrial complex enterprises, including the Kosmicheskoye Priborostroyeniye Scientific Production Association—automatic systems for control, diagnostics and safety of a locomotive; the Saturn Scientific Production Association—development and serial production of portable electric power stations; and the Izhevskiy plant—the production of machines to mechanize track work. An agreement on re-profiling a number of defense enterprises for the production of transport equipment also exists.

It is necessary to continue and expand these ties—but more persistently, considering that the military industrial complex has many technical and technological items that could be adapted and used in rail transport.

One of the alternatives for overcoming the crisis situation that has been created is the expansion of our own production base on the railroads and in scientific subunits. Time has confirmed the advisability and necessity

And these funds do not exist, because when the expenditure part of their balance has increased many times more than the income part, practically all enterprises have become unprofitable. And the average loss for the category of former administrations, and what are now concerns and corporations, amounts to R500 to R600 million per year in January 1992 prices. I emphasize that this is in January prices. But after all, the prices for GSM [fuels and lubricants] continue to rise from day to day when they are not provided by state deliveries, repairs are more expensive, the service lives of aircraft are being extended, and so forth.

Now about the consequences following the collapse of the unified state. If we take the balance of fuel, Russia's deficit in reciprocal fueling should total about 800,000 tonnes. Roughly 1.5 million tonnes are taken out of Russia to fuel the aircraft of other CIS [Commonwealth of Independent States] states, and Russian aircraft receive 700,000 tonnes. This is the kind of imbalance between flights to there and to here.

Generally speaking, this is quite understandable, for the transportation system was set up so that most of the flights to the central regions—Moscow and Leningrad (now St. Petersburg)—are made by the aviation enterprises of other republics.

Meanwhile, in the situation that has taken shape, it is as if what was formerly the airspace of the former Soviet Union has become international airspace, and all the rules and regulations operate as if this had not taken place. But there is no generally recognized legal successor to Aeroflot. This role is claimed by Russia's Department of Air Transport, the Association of Air Transport Operators, and the Interstate Aviation Committee. They will not come to an agreement on who should resolve these problems, and they remain unsettled.

[Sidorenko] But is the Aeroflot trademark still being painted on our aircraft?

[Shokin] The Aeroflot trademark has been left on each aircraft, although it belongs only to the TsUMVS [International Air Services Central Administration] now. No one is in any hurry to part with it, even those who have been separated once and for all. The Baltics, for example. Because Aeroflot is a general international agreement, not only an agreement within the state. And by removing the Aeroflot emblem, enterprises have to start everything all over again.

Against this background, further steps have begun to consolidate the various structures of state administration and control over the different functional units of the unified complex administered previously by the MGA [Ministry of Civil Aviation]. These include the air traffic control system, flight safety affairs, and those agreements between republics which should have been completed a long time ago and which still do not exist. And finally, the need for a new Air Code to reflect all the realities of our life today and form the legal foundation for enterprises' activity.

[Sidorenko] Who will perform this most important task?

[Shokin] There are many precedents, but no one has undertaken it in earnest yet.

Of course, pulling apart a unified complex by functional bits and pieces cannot help but create considerable apprehension. Air traffic control for the MAK Interstate Aviation Committee, let us say, and a number of other questions for the Russian department.

[Sidorenko] If agreement is not reached in the very near future, this will inflict even more harm on the unified complex which is coming apart so rapidly.

[Shokin] But the greatest fear is that the process may become irreversible. Because there are highly skilled people working in aviation. Pilots, controllers, and aircraft technicians must be trained for several years. And if these people leave, it will be practically impossible to restore the unified complex after normalization of the economic situation.

[Sidorenko] Where do we begin to rescue aviation from the collapse?

[Shokin] The primary task, in my view, is to set the normative and legal basis for a unified aviation complex to function, all the same. The transport ministers of the independent states have already had quite a few meetings and signed quite a number of different agreements. However, not one of them has been fully implemented.

This is where the application of international regulations and relationships among air carriers within the CIS come in. This applies not only to aviation fuel, but tracking and providing support for flights and the entire airport service complex, inflight meals, and aircraft maintenance.

In a word, there are a lot of problems. Everything has begun to be divided into "theirs" and "ours." If it continues this way, mainline aircraft may soon be able to fly only for distances permitted by the amount of fuel on board. And the inflight meals as well. That is, they will be tied only to their base airports by their radius of action.

This process, which is acutely apparent in flights between republics, is already under way in Russia as well. Limits are being assigned for concerns, associations, and corporations. "Our" and "their" aircraft are making an appearance, naturally. Matters are also being complicated by the centralized recordkeeping, which impedes the development of normal cost accounting relationships.

And Russia's problems are probably the most severe, because other republics do not have the huge taxes that we have. Against the background of overall unprofitableness resulting from centralized control of the tariffs, Russian aviation is under a double press—from tariffs and taxes.

[Sidorenko] I believe that you and A. Larin, the director of Russia's Department of Air Transport, went on a visit to regions in the Far East and the Far North recently. The situation there is probably the most difficult

[Shokin] Yes. There is practically no alternative to air transport in the Far East and Far North, you know. Maintenance of an airport there is actually a social problem. And of course, we should not be raising the question of increasing prices for air service, as in other areas, but of directly subsidizing upkeep, that is, shifting the problem from the economic to the social sphere.

It is clear that we must allocate budgetary funds to maintain the local air routes so vitally important for the people in remote regions. Yes, they are unprofitable. But they cannot be profitable, you know, and Northern residents cannot manage without them. How was this matter handled before? Funds were distributed within the former administrations of the Ministry of Civil Aviation

[Sidorenko] That is, one profitable enterprise pulled all the rest

[Shokin] Of course. Taken individually, 70 percent of the aviation enterprises were unprofitable and only 30 percent were profitable. But the ones that were unprofitable were small ones serving chiefly local routes. And the large enterprises which made up 30 percent supported all the others. But now the entire complex has become unprofitable—both in Russia and among the republics. And routes have been neglected. The Russian budget is giving them up and the local budgets do not have the funds. So a subsidy is the way out of the situation that has been created.

[Sidorenko] What about the mainlines?

[Shokin] There are two possible solutions here. First, a periodic increase in tariffs as prices rise. The second possibility is to free prices and have full commercialization of the mainlines.

Each one of these alternatives has its merits and drawbacks. Speaking of periodic indexing, tariffs, chiefly for passenger flights, will still be raised at some stage to a level which many cannot afford. Obviously, we have to apply a differentiated approach here. We need not be apprehensive about this where there is an alternative. Let us say I am flying from Moscow to St. Petersburg. With travel by road to the airport and the baggage check, this takes roughly 4 hours. But the train takes eight hours, so there is a choice. So it is not dangerous to release prices. Though aviation may turn out to be in such an uncompetitive situation that flights will have to be reduced, personnel will have to be dismissed, and so forth. And these problems will have to be resolved as well.

If we are speaking about flights over long and very long distances, there is no alternative to civil aviation. Freeing the tariffs will inevitably lead to a decrease in the volume of air service.

[Sidorenko] What could be done here?

[Shokin] We could abolish the 28-percent tax, as it is deliberately unprofitable in the sector. And the questions of freeing prices should be resolved only by individual routes, where it is doubtful that this would affect the volume of service.

A few words on the economic machinery. It has been lagging badly behind reality. There are financial, and social, and normative and legal aspects here.

There is a mighty wave of division among aviation enterprises now. Everyone wants to be economically independent, independent in spite of the unprofitableness. This is mine, and that is all that matters. The inevitable process of privatization is setting the tone here. Clearly, the former administrations and associations were too large. And the transition to normal economic relationships among individual structures, as well as the search for the best possible sizes and combinations of personnel for enterprises is a process that is objective in many respects.

In addition, it is well known that airports and airlines throughout the world are independent economic complexes with specific economic relationships. Not unlike where we are heading. But we must determine the limit of feasibility, certain limits for this division.

Here is a very simple example. Until an enterprise is broken up, its internal turnover is not subjected to the 28-percent value added tax. But as soon as the division process begins and everyone begins paying money to each other, each of them is taxed 28 percent.

And a second point. The process of fragmentation takes place to a large extent from the bottom at the labor collectives' initiative. At the same time, the real interests of production are far from always taken into account. Here is our piece, we are breaking away, the income ceiling is rising, and we will receive more. This is how the employees of fuel and lubricants services, technical services, inflight meal kitchens, and many others often think. But they forget in the process that prices will be increased by everyone, you know. And the calculations presented by the initiative groups are absolutely ridiculous at times.

Let us say I ask a question of the initiative group that wants to separate the GSM service. It is clear that the limit will not meet the need under our conditions, and you will have to buy the fuel. After separating, will you be able to guarantee that the price of your fuel will rise less than the average price increase for the region? That is, are you organizing a commercial service which will work with exchanges, brokers, and enterprises and, when necessary, opening your own offices which guarantee

that any landing aircraft will be fueled? And at a lower price than if the carrier itself provided fuels and lubricants through the same exchanges? No, they answer, we did not think about that. So what were they thinking about? About how to increase their wages.

[Sidorenko] The answer is obvious here. Of course not.

[Shokin] Unfortunately, narrow interest such as this often predominates. A division such as this has taken place here and there, and not only in Russia. They are beginning to serve "others" more readily at commercial prices than "theirs," with whom they have concluded stricter contracts.

[Sidorenko] So the solution may be only in an economically advisable and economically justified division?

[Shokin] Absolutely. A change is also needed in the economic relationships among the airlines themselves and between the airlines and airports as independent enterprises. Everything rests on a normative-legal foundation here. After all, the airlines were practically tied to the state order, which took the form of a schedule. And the necessary limits were set under it. Aviators flew and did not give any thought to anything.

Perhaps the only positive feature of the crisis which erupted in aviation was that everyone began to think and to count money independently. But for the persons who began to think commercially, it is becoming crowded within the framework which exists today.

Well, why should I fly from point "A" to point "B," from point "A" to point "C," and so forth, let us say? Why can't I fly from point "B" to point "C" when there is a shortage of service there? Or why can't I sell an old aircraft at the end of its service life and buy a new one with the funds received?

At the same time, it should not be forgotten that complete commercialization is impossible, generally speaking; some control is necessary.

[Sidorenko] Without state regulation, everything will fall apart...

[Shokin] Unquestionably.

[Sidorenko] So what is the solution?

[Shokin] The solution is to introduce an intermediary mechanism where the functions of state administration are performed by republic departments.

At the same time, the mechanism should not reproduce the old command system, but freely evolve toward a reduction of economic functions.

Everyone knows today that aircraft will be standing idle unless aviation enterprises are provided with fuels and lubricants centrally. So the departments or republic ministries will have to perform this economic function. Alas, we cannot manage without it today. Do we need to regulate tariffs, even if only at the interrepublic level?

Yes, it is necessary. This is also a direct economic function, although it also relates to regulatory functions to a certain extent.

There is no question that the state assignment which still exists ties commercial initiative together, forces them to serve unprofitable routes and not fly on the profitable ones, and holds back the exchange of resources between enterprises.

What do we see as the solution? We have to make more extensive use of the experience of other countries that have been in a crisis situation, though not as deep as ours.

I am referring first of all to the machinery for licensing flights by airlines on specific routes. Licensing is done mainly on a competitive basis. What does it signify? The state order continues, all the same. But in this case, if I want to fly somewhere else, I submit an application to the Department of Air Transport stating that I have the funds, the certified aircraft, and the crews who have experience in flights to these destinations. In principle, each aviation enterprise may lay claim to any route, that is, there should be no serfdom of any kind here. Whoever has prepared for specific flights better than others and can perform them better than others receives the license.

At the same time, naturally, it is essential that the airports where such flights will be made provide equal opportunities to accommodate the aircraft of any airlines, so that there is no discrimination with respect to "theirs."

[Sidorenko] Now I would like to speak a little about air traffic control.

[Shokin] In all the countries where aircraft have operated for a long time under market conditions, UVD [air traffic control] has remained a state function, belonging neither to airlines nor airports.

Unfortunately, Air traffic controllers are demanding a shift to cost accounting now. In my view, it is impossible and unwise to do this.

Yes, by raising the prices for their services these services may somehow provide for themselves and make ends meet. But if we take the amount of capital investment needed for them to function—the radar, the electronics, and the computer hardware in which we lag so far behind the West, the demand for financing may be so great that not one aircraft will take off. Or what is more, someone else is bound to assume these functions. Then where will the cost accounting be and what will the fuss be about? The air traffic control service must be unified.

[Sidorenko] The controllers are now raising the question of the transfer of all air traffic control functions to the MAK. That is probably reasonable, isn't it?

[Shokin] I will not venture to say whether it should be to the MAK or not. The point is that the MAK is a structure that has been extensively truncated, and the way it was put together was far from the best way possible. But in any case, air traffic controllers should continue to be state employees. Of course, they are speaking reasonably about the poor housing situation, their salaries, and a great deal more. Such problems exist. But by no means can we resolve them by breaking up a unified air traffic control system. The airspace and control of it should also continue to be unified.

[Sidorenko] So let us sum up what has been said. What in your view are the tasks of highest priority to bring aviation out of the present crisis?

[Shokin] I see three immediate problems. A decision by the Russian leadership on financial problems is essential. We also need both Russian and interrepublic decisions on normative and legal matters. And finally, solution of technical problems is essential, and this depends to a large extent on associated industries.

POLITICAL AFFAIRS

Presidential Appointees Selection Faulted

92U09944 Moscow IZVESTIYA in Russian
 16 Mar 92 Morning Edition p 2

[Article by journalist Alla Yaroshinskaya: "Old Cadres in the Ukrainian President's New Team"]

[Text] The Ukrainian Supreme Soviet has adopted the law on presidential representatives. Deputy-proposed amendments that the latter should be elected in general elections or be appointed upon the president's consultations with all political movements and parties did not get enough votes to pass. By this law, the president himself appoints his representatives in oblasts and rural rayons.

Several years ago—at the 19th CPSU Conference, I think—Mikhail Gorbachev argued that in order to separate the powers of the party and the soviets they need to be merged. As is known, the process took off: obkom [oblast party committee] secretaries also became soviet chairmen. Soon thereafter, in order to strengthen the "general line," they themselves started to appoint "their" people as ispolkom [executive committee] chairmen. Some time after that a "reunification" of these positions started in Ukraine after the passage of the law on local self-rule. Some obkom secretaries (at the same time also deputies of the Ukraine Supreme Soviet) actually appealed to this highest legislative organ for permission—as an exception—to simultaneously occupy three chairs: that of party secretary, soviet chairman, and executive committee chairman.

No matter how the Supreme Soviet went about reforming the executive power, every time the same crop of party functionaries in some incomprehensible way inevitably floated up to the top spot (except in Western Ukraine). Changing the structure of power without changing its substance turned out to be ineffective and did not have any effect on improving the life of the people. Rather, the opposite has happened: The standard of living continues inexorably to fall.

And now there is one more—the forth in the past few years—attempt to reform the power structure in Ukraine; this time it has been decided to liquidate oblast and rural rayon executive committees entirely and transfer all executive power in the localities to the hands of a presidential representative's administration. Does this mean that the new structures will be filled with new people, not burdened by the ideological exorcism and clannish narrow party interests? Judging by how actively the former nomenklatura is getting involved in selecting cadres for local jobs, there is a real danger that this attempt will fail, too.

For instance, in Zhitomir Oblast the name of Anton Malinovskiy, chairman of the oblast soviet of people's deputies and of its executive committee and former member of the obkom bureau, is being mentioned among the most likely candidates. On 20 August of last

year, Anton Stanislavovich personally scribbled on the secret coded cable (No. 1705) received from G. Yanayev through KGB channels: "Bring to executive committee members' attention. Take as a directive. Documents have been discussed at the conference of oblast, city, and rayon organizations' leadership." What was the result of this? The party majority in the deputy commission on investigation of the actions of oblast officials during the putsch, which also virtually sabotaged the work of the commission, did not find anything reprehensible in the "directives" [rendered in Ukrainian] of their comrade. On the contrary. Following in the commission's footsteps, the session of the oblast soviet also "exonerated" its leader.

The chairman was quick to respond. At a meeting with journalists of RADYANSKA ZHITOMIRSHCHINA he expressed his satisfaction that "the newspaper, despite all kinds of attacks, has managed to withstand" (did he mean the fact that the newspaper had supported the State Committee on the State of Emergency?) and informed them that "the executive committee is planning to hold a conference with the leadership of kolkhozes and sovkhozes which will be primarily political in nature." He kept his word: The conference of the kolkhoz elite appealed to the Russian leadership to free Matrosskaya Tishina prisoner Vladimir Starodubtsev immediately.

As to deputy inquiries on the juridical evaluation of the actions of the Zhitomir Oblast leadership during the putsch, sent last year to Ukraine Procurator General Viktor Shishkin, the following replies have been received. V. Sukhonos, first deputy chief of the Ukrainian procuracy's personnel department, replied that "materials regarding A. Malinovskiy and other oblast officials have been passed over to the Ukrainian investigative group." Deputy Procurator General V. Shevchenko clarifies this: "The Ukraine procuracy has initiated and has under investigation a criminal case on the participation of Zhitomir Oblast and other oblast officials in actions in support of the State Committee on the State of Emergency. We will inform you separately of the results of the investigation."

More than half a year has passed since then (both the USSR and its deputies have become a thing of the past), but there is no "separate" information forthcoming. Unless we count as a "result of the investigation" the news that A. Malinovskiy may also become a presidential representative...

We did learn from trusted sources, however, that in addition to A. Malinovskiy there are probably other "alternative" contenders for this post: former secretary of the Ukraine Communist Party Central Committee V. Ostrozhinskiy, former obkom party secretary V. Chigir, and former member of the obkom bureau V. Yanchinskii.

The selection of cadres—which, as is known, are a decisive factor—for the job of presidential representatives and their administrations continues in all oblasts of Ukraine. If this is done the same way as in Zhitomir, what kind of team is the president putting together?

Starovoytova on Duties, Advice to Yeltsin

924C1086A Moscow MOSKOVSKAYA PRAVDA
in Russian 18 Mar 92 pp 1, 2

[Interview with Galina Vasilyevna Starovoytova by A. Zinovyeva: "The 'Iron Lady' Likes Dessert"]

[Text] An informal occasion for a meeting with a major politician, one of the leaders of the democracy—Galina Starovoytova, who was also a leader in terms of men's interest in a telephone survey MOSKOVSKAYA PRAVDA readers conducted by the editors on the eve of 8 March. As we promised, the meeting took place for you. We visited Galina Vasilyevna at home and at work and asked her the questions that interested you.

Politics Is My Destiny

[Zinovyeva] Galina Vasilyevna, one Muscovite, former Ministry of Internal Affairs worker A. Berezin, called you a rare jewel in our life. How do you feel about that?

[Starovoytova] I would not have expected that. I am not young and attractive enough to make men interested. I will tuck that away. It will give me support in my hard work.

[Zinovyeva] You are the only woman to attain such a high post in our state today. How did you arrive at such a life. Is politics your calling, a perceived necessity, or fate? Where did this choice come from?

[Starovoytova] I think it really was fate. I did not make the choice. Everything happened apart from my will. There have been difficult times. The leaders of the democratic movement in Armenia were in jail. Along with Academician Sakharov I raised my voice in their defense. After which I was elected to the all-Union parliament from Armenia in spite of the fact that I am Russian and was living in Moscow at the time. What was important to my constituents was not my nationality or gender but my political platform and my convictions. Then politics unexpectedly became my destiny. Later it was fairly easy to get elected to the Russian parliament from my native city of Leningrad.

[Zinovyeva] A moment of success determined your fate...

[Starovoytova] Before that I was only a scientific associate. I defended my candidate's dissertation and wrote a book and several dozen articles. I went through the pre-defense for my doctoral dissertation on the subject of ethnosociology and the national question—which is what I am working on today as an adviser to the president. I feel on firm ground here.

[Zinovyeva] What is your advice to the president of Russia?

[Starovoytova] It depends on the situation. My task is to give the president competent and responsible advice. Ultimately he is the one who makes the decision. As long as he accepts more than 50 percent of my suggestions I feel that my work is not in vain. But there are many people who want to form both political decisions and the president's opinion to their own liking. In particular, this is what caused the sad incident in Chechnya with the introduction of the state of emergency. The opinion of the parliament and my advice, which I gave to the president immediately, led him to see the need to change his decision. He was not afraid to do that.

[Zinovyeva] Do you now have complete mutual understanding with the president?

[Starovoytova] Not 100 percent. Sometimes it is difficult for him to decide which information is more reliable. It is a great deal of responsibility to keep the head of such an immense country informed. On the whole Boris Nikolayevich and I are like-thinkers.

[Zinovyeva] What policy are you advocating today being in such a high position?

[Starovoytova] There are two groups of problems. In the first place, we must work harder on our internal affairs and not look to our neighbors. Why be timid, for example, about the formation of a Russian army? Why was the solution to problem dragged out for such an unreasonably long time? Are we afraid to claim the role of big brother again? We voluntarily renounced that role before the whole world and recognized the independence of the former republics. Now it is our business to be concerned about the security of our people, their well-being, and we should be involved not with territorial claims—when it comes to territory, any country would envy us—but with creating a better life for the people. We must solve economic and political problems and problems having to do with public education and justice in the area of national relations within Russia itself. Moreover, I do not think that we will be able so quickly and easily to escape responsibility for what is happening among our former colleagues in the Union. We must also determine the zones of our national-strategic interests in various regions of the world, especially in Eurasia. We must also proceed from certain principles in conducting our policy with our neighbors in the Commonwealth. As of today we have no policy. The army is the main one to suffer from this and also the 25 million Russians who unwittingly ended up as foreigners abroad. We have not forgotten about their interests, although we are reproached for this. It is simply that many do not know how much we are doing for them.

[Zinovyeva] You set concrete tasks for yourself. Time has passed. Can you say that you have been successful?

[Starovoytova] I had a fairly large program of democratic transformations, political reforms, humanization

of society, and repudiation of one party's monopoly on power. As of today we have managed to fulfill the majority of the points—in this respect my conscience is clear regarding the voters. But there is a great deal that was unexpected—democracy does not triumph immediately after the fall of a totalitarian system. There will be a difficult transition period. Perhaps it will be what Adam Michnik—the ideologue of Solidarity in Poland—called the slow march tactic. In order for democracy to win, there must be a change in the minds of the people.

[Zinovyeva] Was it anticipated that national relations would follow this path: not unification but the opposite? Is there anything negative in the fact that the union of nations and republics has fallen apart?

[Starovoytova] There is a lot that is negative, but I cannot agree with the way the question is phrased. What happened was not a mistake in national policy but the result of objective historical processes. It is the work of politicians to react to them promptly and appropriately. Unfortunately, Gorbachev began to react inappropriately as soon as the "Karabakh problem" appeared on the horizon. This accelerated the separatist movements in all the republics. The peoples of the USSR understood that they could not wait for a fair chance to exercise their right to self-determination, to sovereignty, within the framework of the old empire, and it would be better to get out of it. After that the process became widespread.

[Zinovyeva] Are there any optimistic predictions in national relations?

[Starovoytova] As my friend, the Ukrainian deputy and writer Yuriy Shcherbak, said, today we are all like prisoners escaping from the same prison but we are bound together by a single chain. People who are bound together get tired of one another, and their goal is to break the chain. But after it is broken they find out that they cannot live apart. The first signs of the new attraction of the former republics to one another are already being manifested. We will be both good friends and relatives and we will have a new form of confederation like the one created in Europe. But first we must pass through the stage of complete sovereignties—this is inescapable.

[Zinovyeva] Another question from reader Rusyayev: "What should we do to make sure that democracy wins out?" A simple little question.

[Starovoytova] Very. It reminds me of this question: "How do you in England get such good lawns—so even and green?" The owner's answer: "Very simple: you have to cut it once a week for 300 years and that is all." I hope it will not take 300 years for democracy to triumph in our country. Very important now are educational activity, economic freedom, subjective and objective factors, and consolidation of all healthy forces.

[Zinovyeva] A question from reader Pershin: "Dear Galina, are you not afraid to speak out so openly against the partocrats?"

[Starovoytova] No, I am not afraid, although I frequently receive threatening letters and telegrams. But if you are afraid of wolves you do not go into the forest. Politics is not easy work. It may be the most difficult work in the world.

[Zinovyeva] The streets are seething again today.

[Starovoytova] Democracy means an open possibility for a minority to fight for power. Mikhail Sergeyevich was always reproaching his opposition: "They are grabbing for power." Everyone has a right to grab for power; the methods they use is another matter. The rally on 17 March was completely legitimate. People who do not agree with the policy of the state leaders have the right to assemble and discuss this. There is only one way to effect a change of political leaders or political parties in power—through free elections and nothing else. Not by overthrowing the power and not by putting pressure on the powers as was the case in Georgia and Azerbaijan. I am not a great fan of either Gamsakhurdia or Mutalibov but I am an opponent of such precedents. Both presidents were elected by the people.

[Zinovyeva] Are the democrats in power changing?

[Starovoytova] Power changes everyone. This is inevitable. It is impossible to remain the same person if you take on an entirely different set of responsibilities and you have access to a different stratum of information. Mandelstam said: "Power is repulsive like the hands of a barber." It has to be plunged into dirt and blood. Thank God, our democratic power has managed to avoid this so far. But sometimes it is necessary to apply force in order to protect democracy itself.

[Zinovyeva] Are you certain that democracy and democrats will win?

[Starovoytova] Yes. The question is when. Everything will depend on the speed of the education of our people and on our immense and varied country's readiness for change.

[Zinovyeva] Do you fear that you might be replaced?

[Starovoytova] Of course. Nobody today can be certain of tomorrow, but nobody is sitting in his armchair. I will not be left without work; if there is a back, there is a burden.

[Zinovyeva] You have said that you do not agree with the idea of the uniqueness of the development of Russia. What did you mean by that?

[Starovoytova] Many people in our country come out with the idea expressed at one time by a 19th-century poet: "Russia cannot be comprehended with the mind, she cannot be measured with the common measure, she has a special character, one can only believe in Russia." And today many people are saying that we are special, that it does no good to look to Europe and America; we have our own path; we have a different psychology; our people are not ready for democracy and cannot accept

it... I do not share these ideas. There are indeed many difficulties in Russia, but we are proceeding along the common path of civilization which all humankind must travel. If we have lagged behind by 70 years, now we must simply catch up.

[Zinovyeva] A question from our reader N. Soldatov: "You are an adviser to the Russian president. Why do you never defend Russians anywhere even though they are now being unjustifiably persecuted everywhere?"

[Starovoytova] That is not true, the readers do not know much about my work. In the Baltics, for example, the Russians were a national minority one day and then one fine morning they awoke to find that they were foreigners. I have expended a good deal of effort. The Supreme Soviet and the Ministry of Foreign Affairs of Russia have taken measures. According to Russian law, all Russians living in other states of the CIS now have the right to take Russian citizenship. We are taking other measures as well—at the international level.

[Zinovyeva] How do you feel about attempts to revive the USSR, to restore the inviolable union of free republics?

[Starovoytova] That is impossible. It would be an attempt to turn back the wheels of history. That question should be asked of the peoples who have been liberated from dependence on the Center. As a rule, the conviction that the Union should be restored is expressed by those residents of Russia who have not been out in the remote areas and in the other states of the former USSR for a long time and they do not know the attitudes of the people.

[Zinovyeva] The entry of the present sovereign states, including Russia, into NATO: Do you share the president's opinion about this?

[Starovoytova] I have discussed this question with him. But I think we would only stand to gain by strengthening the system of collective security. Today NATO troops could be placed on the line of fire between the warring troops in Nagorno Karabakh. Here it is impossible to begin negotiations without a cease fire, and a cease fire is impossible if the conflict is neglected, if there is no intervention by a third force.

[Zinovyeva] The press is predicting that you will be assigned to the post of minister of defense. Is that a fabrication?

[Starovoytova] There is a group of military people who support me and think that I am quite capable of handling that. The president has not made me an offer and I would not want to take on such an important job. There are examples to follow: In Finland the minister of defense is a woman; in England the head of intelligence is; in Sweden—the minister of foreign affairs, and in Iceland and Norway—the heads of state. In principle this should not frighten anybody in a democratic country. It is necessary to divide up responsibilities: the general

staff, where strategic issues would be concentrated, and control by the civilian authorities over the military, and social protection of the military servicemen which will be concentrated in the Ministry of Defense. With this kind of breakdown a woman could occupy the position—but not I.

Woman to Woman

[Zinovyeva] The second group of questions from our readers, naturally, is linked to an interest in you, in your opinion as a woman. Do you agree with the argument that a woman, like "Rafael's paints" should "care equally for both the earth and the grain"? That is, both be responsible for society and be a mother.

[Starovoytova] I think it is our fate to be both. It is difficult, of course, for each individual to divide these two responsibilities equally. I have a child and I try to be responsible for society.

[Zinovyeva] Do you have an example for women to emulate?

[Starovoytova] To some extent, Mrs. Thatcher, Lidiya Koreneyevna Chukovskaya, Anna Andreyevna Akhmatova. That is enough.

[Zinovyeva] Do you think women are a social force in our country?

[Starovoytova] Yes, our women comprise a great force in spite of the fact that they are shamefully under-represented in the high organs of power. And in general women put men in power.

[Zinovyeva] What are the most crucial women's problems of the present day?

[Starovoytova] I think they are domestic problems: feeding the family, protecting the children from disease, providing them with clothing and shoes. How to look attractive yourself, in spite of the shortage of clothing.

[Zinovyeva] Is the government devoting enough attention to this problem?

[Starovoytova] No.

[Zinovyeva] Our readers are interested in your family and personal life.

[Starovoytova] I will not talk about my family. The press has already given its own interpretation to things I have said—transformed it into some kind of trash... I have practically no personal life. I have a small cooperative apartment in Beskudnikovo which does not even belong to me. For three years I have been renting a tiny little room in a hotel in the center of the city, which has cockroaches and mice. So my personal life is like what my secretary brings me on a tray—sandwiches and tea. My loved ones take care of themselves—they do the laundry and cooking.

[Zinovyeva] Our reader A. Kolychev is convinced that if you have so much time to devote to work you must have reliable support behind you.

[Starovoytova] I would not say I have reliable support behind me. I will go further: A good, conscientious politician who recognizes his responsibility in such a difficult transition period cannot be a good family person at the same time. It makes no difference whether it is a man or a woman. I know how politicians live abroad—I can only envy them. They have time for everything: They finish up their work day at 1800, play golf, take a swim...

[Zinovyeva] And you do not have time left over for anything?

[Starovoytova] Absolutely. Not for anything. I work without any days off. Although at one time reading was my favorite occupation. Now all I manage to read are the newspapers. If once every three months I manage to get a day free or halfway free, usually a half day, the first thing I do is catch up on my sleep.

[Zinovyeva] What other diversions do you have to refrain from?

[Starovoytova] Spending time with friends, unfortunately. Through the newspaper I want to tell all of them I have not seen for a long time that they should not be offended and I still love them.

[Zinovyeva] Wouldn't you like to quit?

[Starovoytova] Sometimes, yes. Sometimes I have pain around my heart, and the fatigue builds up. I have gathered a lot of information and impressions of life and I would like to systematize it all and write a book. I am certain that it would be an interesting book because I have witnessed some of the most important historical events and been very close to some outstanding personalities of our age. The day before his retirement I met with Gorbachev and had a two-hour conversation alone. It would be a good idea for me to write down how my knowledge and opinion of him changed. And there is my promise to Sakharov... We used to stay up late when we were working together and I would spend the night with him and Yelena Georgiyevna. I had my own sheets, night gown, and tooth brush there.

[Zinovyeva] If you had it to do all over again?...

[Starovoytova] I do not regret a thing.

[Zinovyeva] You are a strong woman. Do you have any weaknesses?

[Starovoytova] Of course. In my opinion, every person consists of weaknesses. One simply has to overcome them. I love dessert.

[Zinovyeva] What is your sign?

[Starovoytova] Taurus.

[Zinovyeva] Do you believe in astrology?

[Starovoytova] Not especially, but when the "prediction" for the week comes, I read it.

[Zinovyeva] What do you believe in?

[Starovoytova] Only human reason.

[Zinovyeva] Do you have a motto? That is a cliché, of course, but I would like to know.

[Starovoytova] I try to adhere to the Kantian imperative: goals and means should not be at odds.

[Zinovyeva] And, finally, I would like to take this opportunity to ask you what you wish for MOSKOVSKAYA PRAVDA.

[Starovoytova] I wish to live through this difficult period without hostility and with patience. Nobody has ever jumped out of the kind of pit we are in easily, without losses and sacrifices. I wish to remain independent and to be responsible. Journalism today, especially in the national sphere, frequently leads to bloodshed. Therefore any independence and freedom of information should be combined with a weighing of the facts. Unfortunately, not all publications adhere to this principle.

Chief of MFA Desk for Ties to Supsov Interviewed

924C1058A Moscow KURANTY in Russian No 53,
18 Mar 92 p 6

[Interview with Vladimir Savelyev, chief of the Russian Federation Foreign Ministry Desk for Ties to the Supreme Soviet and Political and Public Organizations, by Mikhail Bredis; place and date not given: "One Head Looks West, the Other, East"]

[Text] **Russia, which is experiencing incredible difficulties, remains for all that a great power. Vladimir Savelyev, chief of the Russian Federation Foreign Ministry Desk for Ties to the Supreme Soviet and Political and Public Organizations, believes it is no accident that with Russia's double-headed eagle one head looks west, the other, east.**

[Bredis] Vladimir Arkadyevich, a new concept of the country's foreign policy has been presented in Russia's Supreme Soviet. What is its essence?

[Savelyev] We are taking our leave of the totalitarian state, and our foreign policy is changing also. The main thing is to secure Russia's national interests, without any ideological patina, what is more.

We sometimes underestimate Russia's role in the world inasmuch as we are unduly preoccupied with the economic difficulties which we are experiencing. We are predestined to be a great power.

[Bredis] The USSR formerly divided all foreign countries into friends and enemies. Is there something similar in your concept?

[Savelyev] Employing the well-known expression, I will say that Russia only has permanent interests. I would not, generally, speak about the "enemy" and "adversary" categories. We do not regard any state as hostile. Moscow will undoubtedly employ force only in response to aggression, although the participation of its armed forces in the international community's peacekeeping actions is not ruled out.

[Bredis] To what do we aspire in our "near neighbors"?

[Savelyev] Relations with the states of the CIS are, perhaps, the priority direction of Russia's foreign policy. The goal is the establishment of new optimum relations in the Commonwealth. The shaping of a civilized military-political and economic space, the fulfillment of arms reduction commitments, and the preservation of the viability of economic ties are important today. Not restructuring but the creation of a new policy within the CIS framework is underway.

As a whole, the foreign policy concept should be treated as a process, as an invitation to discussion. We will not generate programs like the former directives of party congresses.

[Bredis] Russia will have to open several new embassies in its "near neighbors." Will not this be too costly?

[Savelyev] The Russian Foreign Ministry is forming special delegations for interaction with the states of the CIS. Embassies will later be created on the base of them. This will not be cheap. But, on the other hand, the worst diplomacy is cheap diplomacy, when there are economies in prestige and professionalism. If it is at all possible to economize on anything, it is the "bureaucratic slug." Such fat needs to be cut. We frequently reach the point in economies where there is not enough money for diplomatic couriers even. Meanwhile coded communications are quite easily intercepted. Our secrets could be disclosed on account of such economies.

[Bredis] Who in Russia today really determines foreign policy?

[Savelyev] Earlier there was a simple chain. There were levels of authority: the CPSU Central Committee, the Politburo, and the so-called departments, the intelligence service particularly. From them the "arrow" went straight to the Foreign Ministry and the embassies. Now everything is far more complex. A system of the separation of powers into executive, legislative, and judicial is being formed now. Each of these powers has its own function and, accordingly, its own sphere of authority upon the determination and realization of foreign policy. In the classical version foreign policy activity is reserved to the president. This is the executive structure. But the framework of the activity of the president and the entire executive is determined by the country's constitution, and operationally, by legislation enacted by parliament. There should be between these power structures be a

normal system of "checks and balances," which precludes the possibility of the diktat or predominance of one branch of power.

[Bredis] And who now appoints ambassadors?

[Savelyev] This is the constitutional prerogative of the president. The Supreme Soviet is expressing the opinion that ambassador nominees should be approved by parliament, but this is not the case as yet. The first Russian ambassadors were presented only to R. Khasbulatov and the leadership of the parliamentary International Affairs and Foreign Economic Relations Committee.

[Bredis] What is left to your desk?

[Savelyev] The Desk for Ties to the Supreme Soviet and Political and Public Organizations has only just been formed. We are to maintain permanent relations with the organs of legislative power, make information available, and present recommendations and interact with parties and movements. The desk gauges the political temperature of the Russian parliament and the entire spectrum of social and ideological-political forces. We have organizational work also. There are in the Foreign Ministry dozens of different departments and sections, and they should all ideally go to the Supreme Soviet through us. There is a tendency in the Supreme Soviet to "haul in" the foreign minister for explanations on the least pretext. Last year the minister addressed parliament more than 40 times. For the sake of comparison I will say that the American secretary of state appears before members of Congress only 20-25 times a year. The minister should not be "harassed" on individual matters when authority can be delegated to another Foreign Ministry spokesman. There is, should the worst come to the worst, paper, and we could set forth the requisite information in two or three short pages.

[Bredis] Previously personnel for the Foreign Ministry were supplied by the party nomenklatura. Do you not think that the Supreme Soviet will now become the same kind of personnel forge?

[Savelyev] As a result of democratization there has been a selection of enterprising, democratic people at the elections to the Supreme Soviet of Russia. Organs of the executive frequently turn to them for assistance.

The Foreign Ministry is subject to this process to a lesser extent as yet. First Deputy Minister F. Shelov-Kovedyayev, for example, who was previously head of a parliamentary subcommittee, is a representative of the new generation of politicians. Some Russian ambassadors worked prior to this in the Supreme Soviet, V. Lukin, for example, who is the present Russian ambassador in the United States, and Yu. Zaytsev, permanent representative at international organizations in Vienna, was previously chairman of the Supreme Soviet of Russia Citizenship Committee. But the Foreign Ministry has not become a "pump" for the transfer of parliamentary personnel.

Deputy Chairman on Progress in Human Rights

914C09854 Moscow *RABOCHAYA TRIBUNA*
in Russian 13 Mar 92 p 5

[Interview with Nikolay Mikhaylovich Arzhannikov, deputy of the Leningrad Soviet of People's Deputies and of Russia, by Valeriy Kachurin: "Is It Possible That Today, Too, He Is Right Who Has More Rights?"; date and place not specified]

[Text] Already at the first congress, Nikolay Arzhannikov, deputy of the Leningrad Soviet of People's Deputies and of Russia put into circulation a white sheet with the laconic declaration: "It is necessary to form a Committee for Human Rights. Opponents, I will take it upon myself to persuade. Supporters, I ask to respond." There proved to be so many supporters that the Supreme Soviet at once approved a resolution. And Arzhannikov became the deputy chairman of the new committee.

[Kachurin] Nikolay Mikhaylovich, it is said among the people: "He is right who has more rights." Is the committee not going to become still another office for the review of complaints—for which we have more than enough occasions.

[Arzhannikov] From the enormous flow of complaints we select the ones which have, as they say, social significance.

Let us say, the committee has prepared an ukase of the President of Russia about taxes on the income of prisoners. Previously they were returned from places not so remote, without having a kopeck for emergency. Thereby we practically provoked recidivism. Now half of what they earned in the colonies is given to them when they are released. Perhaps there will be fewer crippled fates. We have put up kind of an obstacle to recidivism in all 250 colonies on the territory of Russia.

In short, in changing the laws, we seek to make known some trends, and not an individual case.

[Kachurin] In conditions when a market is coming into being, we talk a great deal and probably justly so about the poor strata of the population. But the well-to-do people, the entrepreneurs, too, need protection. Our newspaper (*RABOCHAYA TRIBUNA* of 8 February of this year) published a protest against the raid of the tax inspection service and submachine-gunners of the Ministry of Internal Affairs on the office of the well-known cooperative "MMM" [not further identified]. They took 8 boxes of documents from the members of the cooperative and closed down their account.

[Arzhannikov] According to the law, the state inspection service has the right to remove from enterprises and organizations documents that testify to the concealment or lowering of income. But all of this must be done within the limits of the law. In our country, nearly always a legal boundlessness is created. The most striking example is the ukase of the President of the former Union in the struggle against economic sabotage. The

valiant staff members of the KGB clearly went too far in implementing it. As a result, people ended up behind bars on suspicion of the perpetration of crimes, although the guilt of many of them had not been proved.

[Kachurin] In the case of the cooperative "MMM", thank goodness, up to now things have not gone as far as prison. But what is shocking is the unceremoniousness with which the powers that be act and the aspiration to speak from positions of strength. We are entering the market, placing great hopes on the entrepreneurs, but meanwhile there is no mechanism for their defense. Having gotten himself in such a mess of a situation, the businessman, of course, can complain, turn to the higher authorities, and wait for an answer. But, you know, business does not wait. Forced idle time runs into the millions. Is it possible to consider such practice as the violation of human rights?

[Arzhannikov] I think we must change the system of work in regard to such matters. Suppose that an "entrepreneur" is under suspicion of machinations. In order for this to be verified, criminal proceedings are instituted and preventive punishment is selected—keeping him under arrest. But is it not better to release the individual on bail for this time while the audit is proceeding? The firm deposits the same sum for which he is incriminated—and let the work continue. You see, if the director of some state grocery store has been caught stealing, it is not the store which is closed down—the director is "closed down." Why take a different approach to private business?

Entrepreneurs are treated in our country in a wholesale manner, like people flagrantly lacking in conscientiousness, like swindlers, operators, and "house-dogs." Hence, perhaps, the exaggerations. But one cannot put a man directly under suspicion on the basis only of reports of a financial agent, who does not even bear any responsibility for misinformation. And if we live to see real competition and "denunciation" becomes massive?

[Kachurin] Due to your line of work, you have occasion to encounter various special services. Is not an intensification of the repressive principle noticeable in their work?

[Arzhannikov] About the same tax inspection service. . . . It is called upon to monitor, but not to trample—including also with police methods—commercial activity. If the entrepreneur is running a risk, this threatens him with ruin, but not with prison. Otherwise hardly anyone will run a risk. As far as other special services are concerned, . . .

Here new structures are being created, let us say, a Main Administration for Security. . . . We said: The KGB is a monster, a terrible organization. But by comparison with the new main administration that is now being formed, the KGB is merely a calf. A law on operational and search activity is under preparation. It calls for giving this right also to guards, which, as is well known, all first persons of the state have. In order to guarantee the safety

of their bosses, they try to have complete mastery of the whole arsenal of special devices.

But how will they use them? From which side will they see the danger? If, for example, we talk about Ruslan Khasbulatov, the same Dzhokhar Dudayev for him is slightly more terrible even than a desperate terrorist. To deprive the chairman of the Supreme Soviet of his high chair, it is sufficient for the general from Chechnya to conduct a recall of this deputy in his election okrug. Consequently, the fate of the first persons depends directly on the political rivals, who may become the target of the edge of agent operation.

Why might it not be suggested that the special service of the presidential guard, fearing this, antagonize its agents against the chairman's people? And if we will have incidents of that sort, then things will turn out as in the proverb: If the landowners fight, the peasants' forelocks ache. This is a threat to the stability of Russia. For this reason, it seems to me, the special services in no case should be given such rights as the KGB.

[Kachurin] That is, there exists the danger that the old NKVD methods may pass over into the new structures.

[Arzhannikov] This probability remains and expands together with the escalation of tension. And the chief danger I see in the fact that it has become difficult to observe the basic principle of the division of powers into legislative, executive, and judicial. You see, now a great many deputies have begun to work in managerial structures. These are good specialists, but such a principle of holding several posts simultaneously itself can explode Russia. Look how the representatives of the Russian President in the provinces are appointed in our country—basically also from among deputies! This cannot be allowed for the following reason alone. There have already been a number of cases when the parliament has corrected the President of Russia. If the deputy corps to a significant degree will become only the obedient champion of his ideas—there will already not be such a correction. And then we are not insured against a dictatorship.

At the last congress, I took a desperate step: I nominated myself for the post of chairman of the Supreme Soviet. Not in order to occupy this post, but in order to draw attention to the reorganization of our legislative structures. In order for the chairman of the Supreme Soviet, by not acquiring personal power, not to become some leader, but simply a speaker. Only in such a situation can we make it possible for the President of Russia to work. I am afraid that at the Sixth Congress we will have to return to the question about our power system.

You know what is happening today? The newspapers criticize Khasbulatov for flying in a separate airplane and for taking over the apartment especially built for Brezhnev. But all this does not present any danger for Russia. One can only talk about the moral aspects. But the fact that Ruslan Imranovich now has an institute of

advisers, taken from no one knows where, the fact that sometimes he makes declarations unexpected even for the Supreme Soviet, this is vohdism [leaderism], which can lead to a confrontation of the first persons in the republic and provoke a savage struggle for power. Of what use to us is this "struggle" now, when we need to finish building Russia?

[Kachurin] Since we started to talk about the new privileges, I would like to gain a better understanding of your point of view on this score.

[Arzhannikov] Man is weak and in general is sufficiently easily bought. Somehow I had a discussion with a representative [as published] of one well-known firm—they came for advice, for consultation. And what was striking—they offered an honorarium for this. They were talking—don't verify it—about 25 million! I told them: Lads, I do not work for money as a matter of principle, because I would like to remain myself. But when they offer such sums, I am convinced that, in making the rounds of another dozen offices, they will nevertheless find a "consultant." The legislative barrier against corruptibility in our country is clearly inadequate.

Democracy is skidding in our country also because of the fact that the psychology among people of my generation, as well as people a little older, has proved to be very stable toward the set-backs of the past. There are quite a few examples where people holding the same views as I, who already at the time of the informal movement protested against the combination of posts and the same system of personal power, and were outraged about "telephone law", now themselves ask me to make a call on the "direct line" and talk with those on whom something depends.

It is very dangerous for us to operate today with the same methods that were used to solve problems before us. The system of power-based influence—when you don't hear an opponent—is an extremely enticing thing. The recent clashes between the militia and demonstrators once again convinced us of this.

[Kachurin] In the not-distant past, you, a captain of the militia, as I recall, also suffered for having participated in a meeting—you were dismissed from the organs of the Ministry of Internal Affairs.

[Arzhannikov] The squares in every city exist for the purpose of people gathering in them. What a difference: They came under a green flag or under a red one—these are not enemies! The people who have not appeared in Dvortsovaya ploshchad [Palace Square]: From Novodvorskaya from Democratic Forces to Nina Andreyeva from the Russian Communist Party. All have access. The only thing one needs to undertake in such cases is to supply transport in good time and to help these people to disperse. Thus, nothing like in former times—reinsurance all around. More militia than participants in the meeting! And to maintain public order for someone.

The rights of the militia, of course, must be expanded, but not at the expense of the citizens.

Dudayev Comments on Defense Questions

924C10804 Moscow NEZAVISIMAYA GAZETA
in Russian 25 Mar 92 p 3

[Natalya Pachegina and Igor Zotov report: "The CIS Military People and the Authorities in Chechen Are Dissatisfied With Each Other: Dzhokhar Dudayev: 'I Have Proposed That the Unified Defense of the Former USSR Be Preserved'"]

[Text] The Chechen Republic

The Chechen revolution is arming itself. They even have their own young lads leading the revolution in the republic: We were met on the territory of the military base by a 13-year-old boy scarcely big enough to carry the automatic weapon he was toting.

Shooting could be heard in the city in broad daylight. Some people blame this on the fact that the young men are unable to restrain their emotions and just fire into the air under any pretext. Others claim that the shootings are provocations.

Following the well-known events in February the military units of the CIS quartered in the republic have regarded themselves as hostages of the Chechen authorities. The rank-and-file at the Grozny garrison have been dispersed, the officers sit in the headquarters building, and the base itself is guarded by local volunteers. The officers are saying that the seizure of the military bases was carefully and skillfully organized. According to them, as the result of attacks on the base 432 artillery pieces were seized and 31 vehicles driven off. According to the military people, the pillage of the military units is still continuing even now.

At the same time the leadership of the military units is complaining that since December last year the center has not been listening to the complaints and they have themselves been forced to sell some of the property in order to provide money for the servicemen. The Chechen president, Dzhokhar Dudayev, however, denies the information coming from the military: "There was a need to guard the military units because the military themselves and their top structures were making preparations for these provocations. The attack on the military base was carried out in order to create an atmosphere of animosity and distrust among our people. Our volunteers had to live through the whole nightmare. Many laid down their lives there, and no one knows what may occur here."

Denying in principle the existence of an organized opposition within the republic, the Chechen authorities, like the military, regard themselves as hostages in the hands of the Russian authorities and the command of the CIS troops. In response to the question of how he relates to the fact of the presence of the troops of a neighboring

state on the territory of the sovereign republic, General Dudayev said this: "I have proposed dozens of times to the command of the CIS troops that we preserve the unified defense of the former USSR. They have listened carefully to everything and gone away, and then the provocations start here again. Obviously they are not free to make their own decisions. As a result, the army is disintegrating and its property is being plundered. What we need is not just guarantees that the military will not do harm here. We have proposed that they create a guard system within the territory while our military people mount guard outside, so that it would be impossible to provoke either attacks on military property or its sale. This was not to their liking and they refused on the grounds that this would interfere with their activities. They say that they can live quite well without a guard. And on the same evening they provoke an attack."

[Question] And when were the weapons seized?

[Dudayev] No weapons were seized, the military themselves handed them over. They reached an agreement with the Committee for State Security and the Ministry of Internal Affairs and said that the Chechen had allegedly attacked, even though they had not, of course. And they themselves ensured that the weapons fell into the hands of people who were not beyond reproach. About 1,500 criminals were released from the prisons and they were the ones who received the weapons. This was all done in order to create chaos and violence here. They even tried to set fire to their own property, but we prevented them. They brought themselves to an impasse and our young men seized the initiative."

[Question] The officers say that in order to ensure the withdrawal of their units from the republic an escort of at least a division will be required.

[Dudayev] This is all a fiction. We have told them a thousand times that if they want to leave they can; we guarantee their safety. Why do they suddenly need a division? Of course for further provocations with the help of that same division. We had a unit of Caspian sailors here. We were aware that they conduct themselves in an fair manner, and we asked them to leave. They were provided with an escort and they left with their own equipment, in two columns. Nevertheless, they contrived to set fire to the property that was left behind and destroy it, and then they pretended that they almost had to fight their way out of the territory of Chechen...[end Dudayev]

Meanwhile the "isolation" of the military in Chechen is becoming increasingly obvious. According to them an Abkhaz armed detachment of guards from the Caucasian parliament has come to the help of the Chechen soldiers guarding the military units.

In short, relations between the military and the authorities in Chechen are not relations of trust. Both sides are competing in their suspiciousness, probably not without cause.

ECONOMIC & SOCIAL AFFAIRS

Goskomstat Shows Rising Prices, Salaries

924A0886A Moscow TRUD in Russian 2 Apr 92 p 1

[Article by V. Golovachev: "Income and Prices: The Race Continues"]

[Text]

Pay: Count in Thousands				
	Average Monthly Pay of Workers and Office Workers (in rubles)		February 1992 percentage ratio to January 1992	February 1992 percentage ratio to February 1991
	January	February		
Total in national economy	1,470	1,994	136	6.9 times
including				
industry	1,801	2,367	143	8.3 times
health care, social security, physical education	911	1,249	137	4.9 times
education	1,096	1,286	117	5.3 times
culture and arts	906	1,000	110	4.2 times

Cost of Living Still Ahead		
	February to January 1992 (in percent)	February 1992 to February 1991 (in percent)
Average pay increase	136	690
Prices increase	138	1,120

The data just received from the Goskomstat [State Committee for Statistics] of Russia provide abundant food for thought. Workers' and office workers' average pay reached almost 2,000 rubles [R] in February. In comparison with January, it grew by more than R500, or 36 percent. Prices for the same period, however, rose even more steeply—by 38 percent.

Thus, real earnings on average have not increased; on the contrary, they have shrunk. Granted, not by much—2 percent. This is not the same kind of a "crash" as in January, when the population's real income fell by 60 percent. Still, the standard of living of many citizens of Russia continues to decline. Especially among those employed in the sphere of culture and arts, among whom average salaries increased by only R100 in comparison with January and now are half of the average value for the national economy as a whole. Employees in the health care, education, and social security sectors also are in a precarious financial situation.

How did prices and salaries change during a one-year period—from February 1991 to February 1992? Just a year ago average pay in Russia was about R290. Now it is 6.9 times greater. Prices, however, went up even more steeply during the same period of time—they are now 11.2 times higher.

All of this is taking place against the background of fast decline in production: 15 percent last year, and 13.5 percent during January-February. The processes are interrelated. As production declines, pay increases in these industries are mostly achieved through raising prices on output. This is one of the most difficult economic problems of the transition period. To break this vicious circle, much needs to be done, including finding effective stimuli to increase production and speed up demonopolization and development of competition...

Bankers' Union Scores Tight Money Policy

924A0870A Moscow NEZAVISIMAYA GAZETA
in Russian 25 Mar 92 p 4

[Article by Ivan Zasurskiy: "Bankers Believe Industry Is Dying for Lack of Finances: And Level Criticism at Russia's Central Bank"]

[Text] At a 20 March press conference the commercial banks said everything they were thinking about the Central Bank and its policies. A press release distributed by the Association of Russian Banks and the Moscow Banking Union, which held the press conference, leveled the greatest criticism at the Russian Central Bank's credit and monetary policy, and at Mr. Matyukhin, who heads the bank.

And although the press release begins with the words, "The Association of Russian Banks and the Moscow Banking Union support the efforts of Russia's government and Central Bank to hold down inflationary processes," that is no more than a polite introduction.

Thus, according to the bankers' calculations, in addition to the 500-billion-ruble emission of credit and cash planned by the Central Bank, R2.5 trillion is needed for privatization alone. The calculation is simple: taking the fivefold price increase since 1986 into account, Russia's state fixed assets today can be valued at R5 trillion to R7.5 trillion. And if the government wants to privatize half of the state assets, their value will equal R2.5 trillion rubles.

In the opinion of bankers S. Ye. Yegorov, president of the Association of Russian Bankers, and V. V. Vinogradov, chairman of the Moscow Banking Union, the Russian government's tight monetary policy is nothing more than an act of political expediency whose purpose is to demonstrate the monetarist orientation of Russian policy to the International Monetary Fund.

The bankers' basic argument was the claim that Russia's industry will simply die of a shortage of finance, and it hardly makes sense to totally destroy 40 to 60 percent of Russia's producers.

The Central Bank, in their words, not only openly ignores specific commercial structures, taking away 20 percent of their assets and putting them in a reserve fund, but acts as if it does not even notice their existence.

One of the financiers stated that it is easier for him to get a meeting with Gaydar, Burbulis or people's deputies than with Georgiy Vladimirovich Matyukhin.

Own Currency Advocated for Russia

924A0870B Moscow NEZAVISIMAYA GAZETA
in Russian 25 Mar 92 p 4

[Article by Aleksandr Nekipelov of the Russian Academy of Sciences' IMEPI: "We Have One Monetary System: Will Russia Succeed in Strengthening the Ruble?"]

[Text] One essential condition for following an independent economic policy, especially a policy of macroeconomic stabilization, is the exercise of complete control over the monetary system by the country's Central Bank. Indeed, it is absurd to take extremely painful steps to eliminate the budgetary deficit and restrict the emission of money per se if money can get into the economy unimpeded from without, and, for all practical purposes, can do so in any amounts whatsoever. Simple mundane wisdom suggests that before pouring the water out of the pool it would not be a bad idea to shut off the pipes through which it is getting in there.

All this, of course, is nothing but truisms, but we have to start with them, since the existing situation on the territory of the former USSR in the monetary area very much resembles familiar school problems about swimming pools: so far we have one monetary system, but the number of spigots being opened (of which there are more) and closed (of which there are fewer) has gotten quite large.

It is simply impossible to suspect the Russian government of failing to understand elementary matters, but how, then, does one explain its steadfastly following, under these specific conditions, a strict policy of financial stabilization, and its increasingly frequent and confident statements to the effect that Russia has no intention of abandoning the present ruble and will do everything to strengthen it? Moreover, the republic's leadership is planning soon to make precisely that ruble convertible for current transactions.

From every indication, the government and Central Bank quite sincerely believe that putting a stop to the free transfer of noncash money between the enterprises of Russia and those of other republics, and directly regulating the amounts of cash allocated to partners make Russia invulnerable to the actions of the other sovereign republics' central banks and governments in the monetary area.

This conclusion is based on the following simple reasoning: moving to the settlement of accounts for all interrepublic commercial deals through correspondents' accounts opened by the central banks for one another makes it possible to keep track of the balance of reciprocal trade and raise the question of eliminating any trade deficit (in the event that the limits of commercial credit are exceeded) through additional deliveries of goods. At the same time, the danger of the unbalanced movement of cash between the members of the former union (and accordingly, movement in the opposite direction of goods) is eliminated by the rules for the acquisition of cash by the republics' central banks that were set at the beginning of this year. According to G. Matyukhin (see MOSKOVSKIY KOMSOMOLETS, 4 March 1992), in the event of a physical shortage of banknotes, those banks may obtain them from the Russian Central Bank only in the event that goods worth corresponding amounts are delivered. In other words, if you want to have additional cash, work to maintain a positive trade balance with Russia, which, for all practical purposes, is to say: give it credit. At the same time, the unambiguous message is conveyed that in the event that the republics attempt to put various money surrogates (such as multiple-use coupons) into circulation, Russia's Central Bank will punish them by reducing the amount of cash rubles it supplies.

All this, however, is by no means as persuasive as the leaders of the Russian economy think.

The attempt to regulate the money supply through the quantity of printed banknotes is itself perplexing. In a normally functioning market economy (which we are supposedly striving toward), the amount of paper money in circulation is determined by the demand for it. This demand, in turn, is formed under the influence of purely technical causes and is connected with the size of the sphere of circulation that is serviced by cash. It is no accident that in the United States, for example the owner of a bank account has the right not simply to obtain the necessary amount of banknotes, but to obtain

them in the denominations that he wants. In addition to everything else, the experiment in putting the cart before the horse that we have begun to carry out is inevitably resulting in a doubling of the value of the ruble (in cash and noncash circulation) and, consequently, in favorable conditions for various sorts of abuses.

The Russian Central Bank's reliance on the proposition that the danger of finding themselves without cash will rule out any excessive issuance of credit by the republic banks is not very convincing. It may be that they will have to reckon with the threats of sanctions for putting money surrogates into circulation, but no one can forbid banks (including savings banks) to speed up development of the use of checks and credit cards, which results in reducing the need for banknotes while maintaining the overall amount of instruments of payment in the economy.

New and extremely delicate problems may arise in relations between Russia and the other republics as a result of the implementation of the approach defended by the leaders of the Russian economy. Indeed, it follows from the algorithm for the settlement of interrepublic accounts that has been set forth that the more goods the citizens of Ukraine, say, buy for cash in Moldova, the more goods Ukraine must deliver to Russia (!), in order to compensate it for the "diminished" cash.

The proposed system for the noncash settlement of accounts between republics raises equally many questions. There can be no doubt that what is essentially involved here is movement to a system of bilateral clearing. However, the clearing structure itself turns out to be extremely curious by virtue of what is an "unconventional" circumstance for this form of settling accounts, namely that the clearing currency is money that is legal tender in the states concluding the clearing agreement. That is, in each of the republics the ruble is more or less real money, while in relations between them it is simply an accounting unit.

As a result, it turns out that the republic with the higher level of prices will come out ahead in mutual exchange. This fact alone is a good incentive for the republic banks to become actively involved in competition to issue credit.

The introduction of a Russian monetary unit functioning according to the rules that humanity has worked out over millennia is necessary not in order to destroy the economic complex of the former Soviet Union, but because there is no general agreement by the republics to follow the sort of coordinated policy that is essential for the economy to function as a unified whole. The attempt to restrain the collapsing economy with the thin thread that paper rubles represent today is unsound theoretically and can result only in the further intensification of interrepublic friction and blocking of Russian reform.

And finally, the technical difficulties entailed in putting Russian money into circulation should not, of course, be underestimated. But they should not be exaggerated,

either. Just recently an analogous task was accomplished in an extremely short time in Yugoslavia. It turned out that the only thing needed in order to do so was to change the dye used in printing the money.

Privatization Results in Political Struggle

924A0815A Moscow IZVESTIYA in Russian
20, 21, 23 Mar 92 Morning Edition

[Three-part article by Otto Latsis: "Political Struggle and Political Acting in Our Revolution"]

[20 Mar p 2]

[Text]

I.

That which constitutes the main content of any genuine revolution—a change in the form of ownership—has approached in earnest. Land reform and the start of extensive privatization—these are now inevitable items on the political agenda. They have approached, and there has been a pronounced increase in tension in political life. A presentiment of new clashes is manifested from time to time in most unexpected articles.

A previous issue of IZVESTIYA carried the article "The Assault on the Market Redoubts Has Yet To Succeed." The editorial office deemed it impossible to conceal from the readers the viewpoint of well-known public figures and highly qualified economists. But the content of the article does not give us the right to let it pass without comment.

We will begin with the factual aspect. The authors connect with the present economic reform the fall in industrial production, from time to time intimidating the reader with terrifying analogies like that of Hitler's coming to power in Germany following the economic crisis. But what is the point of comparing percentage recessions in the course of crises which are different in nature? In the West there was a crisis of overproduction, with us, a crisis of economic relations and structural reorganization, a kind of "crisis of underproduction." In addition, the actual percentages of the last recession in the United States and Germany are for some reason or other compared with a forecast of unknown origin for Russia. What do the authors want: to explain the problem or to scare the readers?

We are faced with a real, most severe problem: enterprises are coming to a halt, their employees are being left without wages, consumers are being deprived of their products. There is no point scaring them, things are frightening enough as it is. The economist should make a precise analysis of the causes, but the article makes no such attempt even. Is the recession connected with the price liberalization, for example? The article hints at such a connection, but statistics say otherwise. Here are the latter's figures on industrial output: January 1992 as a percentage of January 1991, minus 15.1, February as a

percentage of February, minus 12.2. The recession is not deepening as yet. Formally this constitutes a growth even compared with January, but we should be in no hurry to draw such a conclusion, I believe.

One thing is clear: The downturn occurred prior to the commencement of implementation of the present reform program. All this indicates that the cause of the recession is the severance of economic relations brought about by the delay in the reform, the loss of interest in the ruble and the wholesale "barterization." An alarming situation, and a new recession is by no means ruled out, but the authors of the article offer a diagnosis refuted by the facts and a cure directly opposite to what is needed.

Only an acceleration of the transition to the market and a revival of interest in the ruble can revitalize the economic relations.

No less odd is the statement by the authors of the article that "capital investments have virtually dried up"—also in the context of judgments concerning the 2 January price liberalization. Odd if only because the State Committee for Statistics does not yet have data on the state of capital investments in January and February. And last year investments declined 11 percent—bad, of course, but no reason to maintain that they have "almost dried up."

What, then, do the authors, who are so critical in their assessment of the reforms, propose? First, budget subsidies to agriculture. But this was the basis of the former agrarian policy, which in last two "Brezhnev" five-year plans took from the budget \$600 billion, producing a zero growth of agriculture's net product. New circumstances speaking in favor of such a policy have been ascertained, perhaps? No, the authors have just one argument: Budget subsidies "for this purpose" are practiced in other countries. But for which "this," in fact? The practice of the U.S. Government paying farmers for cutting back on sown areas in order to avoid overproduction is well known, for example. Are we already threatened by such concerns?

Germany subsidizes the prices of surplus animal husbandry products in order to reduce stockpiles, which would not otherwise be bought up. There is a dual benefit here: public consumption is expanded, and the loss of some peasant farms, which would bring about a growth of unemployment, is averted. But we do not have this situation either. We were doing something unheard of in its senselessness: We were subsidizing the prices not of surplus but critical products, which are bought up fully as it is. Whom did these subsidies serve? Primarily those to whom the products at the subsidized price were most accessible: those visiting the special refreshment counters and profiteers. Perhaps the authors consider support for these social strata the primary social priority now also? It needs in that case, first, to be said where the budget resources for this purpose are to come from—whether they are to be taken, say, from the schools and

hospitals. Second, reference to foreign experience here is inappropriate: this is our own, painfully familiar, experience.

I do not wish to say that in the new, reformed economy subsidies to the agrarian sector are not required under any circumstances. It could happen that, following the liberalization of all prices, the same thing will happen with some products as has happened in Germany: At a price covering all outlays they will not be bought up. This cannot be ruled out, evidently, primarily in dairy livestock breeding. Price subsidies would then make economic and social sense. But this is not the case as yet, and no one knows how likely this is. Nor was this the point at issue in the article. It proposed not specific forms of subsidies for specific purposes but subsidies as a general and everlasting principle. An antimarket principle, as is well known. Assistance to agriculture is necessary, but random subsidies are its most inefficient form.

The central idea, on the other hand, which, in the opinion of the authors of the article, "needs to be implemented immediately here," is a wage and price freeze. But we have, after all, lived in a "freeze" for 60 years—the result is well known. We have finally, with great difficulty, made up our minds to liberalize prices and taken this as yet sole realistic step toward a normal economy. We have overcome that which is most dangerous and painful in the entire market reform and we have suffered none of the promised catastrophes as yet—and yet, apparently, we must urgently abandon what has been achieved after two months without waiting for any of the fruits? Why? It is not known.

Such a step would, incidentally, make impractical even the prudent (although not new) ideas contained in the article. For example, entrusting the implementation of land reform to banking organizations, which would "give money or property to those who would manage the work efficiently." Not a bad idea, but this is, after all, a component of the purely market economy, movement toward which the authors of the article propose to halt. How would it be possible to learn who would "manage the work efficiently" if prices were once again to be not market prices and, further, subsidies were to be paid out?

The idea of the commercialization of state enterprises preceding their privatization is also reasonable in principle. Very reasonable even because only "small-scale privatization" can be effected more or less rapidly, and being in a hurry with large-scale enterprises is dangerous and unrealistic. But the authors themselves rightly define commercialization as a "strict regime of self-financing." Once again, what kind of "strict regime" could there be with subsidies and frozen prices?

The article altogether contains many splendid wishes: for an improvement in the people's living standard, provision of the country with food, the achievement of financial stabilization, maintenance of a steady exchange rate of the national currency, a ban on barter transactions

and currency transfers overseas—and all this given the abandonment of market pricing and the budget protection of unprofitable industries. But there is no such economic system which consists of agreeable things alone. It is impossible to obtain good market results without having applied strict market methods. In terms of degree of practicality this set of wishes is comparable with the dream of Gogol's Agafya Tikhonovna: "If we added Nikanor Ivanovich's lips to Ivan Kuzmich's nose and took some of the free-and-easy nature of Baltazar Baltazarych...."

But, seriously, I cannot imagine that economists of such qualifications did not understand that what they propose is not serious. And it is not only a question of academic regalia here, it is primarily that the authors of the article are known as economists of particular market views. This applies particularly to Academician N. Petrakov, who has of late been attacking the market reform from the most diverse platforms. He was, after all, virtually the first to venture in the popular, not specialized, press to justify the need for a market economy and price liberalization as the basis thereof—I refer to his article in NOVYY MIR published back in 1970.

It is not a question of a person being unable to alter a formerly expressed opinion. He may and is even required to if new knowledge leads to new conclusions. But scholarly and political ethics specify a condition here: Informing the readers that one's viewpoint was not always such as one expresses it today and explaining the reasons for the change.

I would note, incidentally, that I emphatically disagree with those who are calling for people to refrain from criticizing the government inasmuch as it has embarked on the noble cause of reform. Supporting the government in the business of reforms is necessary and extremely important. But support by no means signifies an abandonment of criticism. On the contrary, support presupposes protection of the government also from its own mistakes, that is, criticism. Criticism which is directed against the mistakes made in the course of the reforms. But not criticism aimed against the reforms themselves—as in the article by N. Petrakov and his coauthors. The need to dispute such articles willy-nilly diverts us from a critical analysis of the reforming work of the government. This is all the more irritating in that there undoubtedly are grounds for criticism of the government.

[21 Mar p 2]

[Text]

II.

A principal problem in connection with which the government's actions deserve criticism is that of taxes. I am not about to join in the arguments as to what the percentage rate should be. I am prepared to believe that at the present difficult time, when financial recovery is far from complete, low taxes are impossible. Nor do I

dispute the expediency of the application of a value-added tax: The experience of many countries confirms its effectiveness. The trouble is, however, that in practice there is no value-added tax. There is a sales tax, only not five percent, as used to be the case, but 28 percent.

The difference is well known to any competent economist: A sales tax is computed as a percentage of the total cost of a product; a tax on value added is charged (as its name implies) merely on the part of value which has been created by a given enterprise: full cost minus the price of materials and components obtained from elsewhere. And everyone knows that in today's economic practice this difference is being ignored at every step. At each alteration (even, it so happens, upon transfer from shop to shop within a single enterprise) the tax is "screwed on" to the whole cost. As a result it is incorporated in the final price several times and, as it happens, is collected over and above the price also.

It becomes funny even. Leonid Lopatnikov described in DELOVOY MIR an instance of an advertisement for a teaching aid on the market economy containing a notice of the price of the aid, such and such, plus 28 percent tax. People who had taken it upon themselves to teach others, and by no means for free, were demonstrating directly in the advertisement an ignorance of the rudiments of their subject inasmuch as they were demanding an illegal extra payment.

The following question is possible: What has the government got to do with this? It devised a good tax, it is the maladroit practitioners "locally" who are to blame, is it not? No, it is not. The government, which devised a new tax for our country, is required, if not to teach everyone, to at least provide public explanations cautioning the practitioners against making mistakes. It remains silent even now, however, when everyone knows about these mistakes, if only from notices in which the "price plus 28 percent" formula is repeated almost daily. The tax inspectorates and the local machinery of the Ministry of Finance have to know about this.

The absence of a public condemnation of this practice makes one think that the government is, to itself, not objecting to it all that much. Such suspicions involuntarily grow when it is discovered that the tax law, the instructions pertaining to its application particularly, are written in so complex and vague a manner that the most educated economist even cannot understand them, let alone the ordinary accountant. And such "obscure" style always conceals the arbitrary action of officials of the Ministry of Finance.

This being the case (I would very much like, of course, to obtain convincing evidence of the opposite), we have before us a typical repetition of the old fiscal approach familiar to us from the Zverev-Garbuzov-Pavlov times. An understandable, but regrettable repetition. Understandable because the problem of elimination of the budget deficit is, as before, unresolved and, consequently, must remain priority No. 1 in our economic

policy—the government is absolutely right here. Regrettable because such a method of increasing budget revenue is futile. The solution does not lie in increasing the tax on nonexistent value but in stimulating the growth of the production of new values—there would then be an increase in the amount of tax received also. Any other approach will provoke that same stagflation with which the opponents of reform are intimidating us and which the government is seeking to avoid.

The fiscal excesses are probably explained by the frightening complexity of the set task: reducing to a minimum in one quarter the monstrous deficit inherited from the former authorities. This is already proving manifestly unsuccessful, and the deadline for the accomplishment of the task has been carried over from the first quarter to the fourth, which also would be a dazzling achievement. This will, as before, be extremely difficult, and, as before, there is no certainty that it will happen so there can be absolutely no letting up. Nonetheless, a change for the better is noticeable.

Last year the deficit of the consolidated budget of the USSR reached a horrifying magnitude, unprecedented in the world—approximately 20 percent of the country's gross national product. Such a figure was the signal for the deathbed condition of the ruble. In the first quarter of the current year Russia's state budget deficit will have declined, according to preliminary estimates, to five percent of GNP, which, all other circumstances being normal, would mean a still pretty sizable, but no longer mortal, fever. If this is borne out, it may be said that the ruble will have been transferred from resuscitation to intensive care. If, on the other hand, as is currently anticipated, the deficit is reduced in the fourth quarter to one percent of GNP, in 1993 the ruble will emerge healthy.

This would be a good treatment timetable. And if, I repeat, the practicability of the achievement of the five-percent mark is borne out in the first quarter, we could permit ourselves to approach budget problems somewhat less nervously, although strictly, as before. There still could be no letting up in the fight against spending yet, but we could be more flexible in stimulating an increase in spending.

A second most important sphere in which economic policy is barely satisfactory is problems of privatization. It would seem that the government has accepted without argument the proposition reiterated daily by its critics: price liberalization cannot be implemented prior to privatization, and if they have already been liberalized, privatization now needs to be effected at the double. In actual fact, all these are far from absolute truths. Logically one could just as successfully prove the opposite: We should first bring prices into equilibrium at the level of the balance of supply and demand, settle down and

work for a while at this level, and only then will privatization be possible. In fact, not having worked on a base of market prices, we do not know the true value of the enterprises which are to be privatized. We let them go too cheaply, what if they prove highly profitable, and the new owners become rich not from labor. We sell them dear, what if the market rejects their products, they go bankrupt and the workforce is ruined. For these and other reasons we should be quick in implementing only "small" privatization, primarily in trade and services. In industry, on the other hand, the stage of commercialization has to be negotiated first.

The Russian authorities do not, it would seem, deny this, nor are they arguing with those who are calling for haste. Their actual position is not as yet clear to the public—and this applies to more than just the question of the pace. Strictly speaking the KOLO [expansion not given] affair involving R1 million "gifts" to officials from the old nomenklatura is being condemned more from moral than legal considerations. "Nomenklatura privatization" is contrary not so much to legal rules, which are as yet unclear, as the public notions concerning social justice. But if it is difficult condemning such "privatizers" in accordance with the law, they will not be frightened of making new attempts, and these attempts will certainly follow—there is too much in the kitty. In addition, increasingly insistent calls are coming from the depths of certain groups of deputies, the Supreme Economic Council and other organizations for the legalization of such a valuation of leaders' "intellectual property."

It is not hard to surmise that the social stratum which has administered state property for 70 years as its own will not part with it easily and simply. It will do everything to legalize its rights to this property under the new conditions. And there is no need to declare all-out war on this stratum: It incorporates not only numbskull apparatchiks but also most important specialists, without whom the efficient management of production is impossible. Many of them were promoted thanks to their high professional qualifications, not only thanks to their skill in ingratiating themselves with their superiors. The labor of such specialists requires for the sake of fairness fitting remuneration, with a share of property also.

But in this truly decisive position the maximum resistance is being shown also by those who have just one capability: of hanging firmly onto power as a source of material benefits. This is being confirmed before our eyes by the galvanization of all who are in opposition to Russian democracy: "reds" and "browns" and former "reds" prepared to recolor themselves as "browns." It is disturbing that the democratic authorities are, as the events of 23 February showed, poorly prepared for a democratic rebuff of the opponents of reforms. Meanwhile the reactionaries have, it would seem, recovered from the shock caused by the defeat of the August putsch and are groping their way toward new tactics and new forms of organization.

[23 Mar p 2]

[Text]

III.

The attempt to convene the Sixth Congress of People's Deputies of the USSR compelled recollection, incidentally, of the episode which gave Sazhi Umalatova her celebrity: her demand that Gorbachev resign. A deputy from the "red hundred," not elected by the people but appointed by Gorbachev, she could have really earned the reputation of a defender of democracy had she had the sense to place her mandate on the table also. She did not have—she lacked both a sense of humor and, if only, political prudence. She lacks it now also, when she is furthering her reputation as an amusing politician by her demand that she be held over as a deputy of the Union—even Gorbachev has, after all, resigned, nor is there any Union.

All this would be risible.... But when thinking about the disintegration of the Union, the heart of everyone who perceives one-sixth of the world as his fatherland is pained. But no force can bring back the former Union, and should the former Union be brought back after all, the illnesses that killed it would return with it. There is merely the hope with the passage of time of a revival of the fatherland in some new appearance. Only what real politician could hope that the Union would revive simply by order of Umalatova, Alksnis, or even Makashov himself?

The row concerning the congress of deputies of a nonexistent state was nothing more than a political game. But a game is also political struggle, only of a particular kind: It, the game of politics, is distinguished by the fact that one goal is announced, but quite another is intended. We are living, unfortunately, in an era of the unprecedented and unsafe proliferation of the game of politics.

Thus the president of Ukraine, for example, suddenly refuses to fulfill commitments assumed earlier pertaining to the withdrawal of tactical nuclear weapons. And General Dudayev, who has enough problems in Chechnia also, it might have seemed, sets about threatening Moscow with retribution and interfering in the affairs of Georgians, and Tatarstan is undertaking a referendum demanding an unequivocal "yes" or "no" to a question packaged like a food order with a compulsory assortment: If you want to purchase half a kilo of buckwheat, pay for a bag of salt in the bargain. All this is a manifestation of the well-known syndrome: I would like to increase my political capital without going to any great trouble. One of the most tried and tested methods for this is demonstrating to the people that you are not afraid of the "center." This is effective and safe inasmuch as there is no "center."

I am afraid that this only seems safe: A game can be lost also. Having all of a sudden shown itself to be an

unreliable partner, Ukraine could lose its political reputation acquired recently in the eyes of Western politicians. It will be extremely difficult for Dudayev, interfering in Georgia's affairs, to reject Russia's justification for "interesting itself" in matters in Chechnia. The Tatar nationalist leaders face the threat of a difficult explanation to the electorate when it realizes that Tatarstan's need for unity with Russia cannot be canceled out even by the most concerted vote at a referendum.

But what would seem most dangerous is the proclivity for the game of politics in Russia. Not even on the part of the opposition—let it go on playing. It is disturbing when the power structures begin to play. It is at times altogether quite hard to understand which components of the state structure of Russia exist for policy, and which, for the game. There are more and more of these components, and the separation of their functions is increasingly nebulous. The president with his staff, which has concentrated considerable power, the vice president with his staff, a very oddly configured parliament, which has, aside from the two chambers of the Supreme Soviet, a further separate structure in the form of a congress and an annex in the form of the Supreme Soviet Presidium, and, finally, the cabinet—no other country has such a "display" of power mechanisms.

Yes, this is temporary. Yes, the new constitution will provide a different configuration of power. But with the present mechanism we might not even live to see the constitution, might not master the process of its adoption even. I would like as a minimum to clearly see the boundaries of the jurisdiction of the most enigmatic instrument in this entire collection, the Presidium of the Supreme Soviet of the Russian Federation. It endeavors time and again to combine the power of legislative authority and executive functions, attempting to decide current questions independently of the government and sometimes as a counterweight to the government. But the central principle of the political system is, after all, the separation of powers. We have simply already retreated from it, having accepted presidential power and a presidential government. One such retreat is justified, two are unnecessary and dangerous.

Certain assumptions and, at times, perfectly specific proposals even providing for the abandonment of democratic government in the event of it misfiring at the April Congress of People's Deputies of Russia cannot fail to alarm us either. Reactionaries are undoubtedly clearly preparing to exact vengeance at this congress. Dangerous attacks are likely on the draft constitution and on the government program and the government itself. The speaker of parliament has already made haste ahead of time to attack what is today lending the Russian reforms political stability: the personal participation of the president in the reform government. Well, yes, proven tactics. Neither did the apparatus opposition of the CPSU, which opposed Gorbachev's policy, lock him up in Foros right away: it first stubbornly demanded that he himself bury his reforms. Such a version would have been safer for them, of course.

Nor can more or less major successes of the attacks against the policy of reforms at the congress be ruled out. I hope that Yeltsin's team is working out plans of action for this contingency. I hope and I fear. The temptation of the simplest path: interdicting the plots against democracy by way of the abandonment of democracy itself, is great. There is also much that I do not like in the work of the Russian Congress and the Supreme Soviet. I also am irritated that the winners of apparatus "elections," hysterical bawlers or simply people of little knowledge who obtained their seats at semifree elections by the will of chance operate on an equal basis with politicians deserving of respect for their erudition and democratic views. But I am frightened even more by the favorite method of meeting-place politics of recent times: chanting "resign!" at the least provocation.

Our elect are also we ourselves, our society, which elected them. We have become some other people since then? We have. But they are changing also. Not as quickly as we would like? Alas. But, for all that, a normal democratic culture provides for a change of the corps of deputies at elections, not before. The early breakup of parliament, even if disguised as elections to a constituent assembly, as is being proposed, not without ingenuity, currently, would be primarily a defeat for democracy. It would mean a return to the logic of Bolshevism, according to which a revolutionary end justifies any means.

Far more hopes are afforded us by persevering work aimed at the full-blooded structuring of the political spectrum. It would be better instead of the numerous party signboards to have if only two or three full-fledged parliamentary parties capable of formulating a clear and logical policy. In this sense the brief announcement concerning the bloc of the Democratic Party of Russia ("Travkin's party") and the Free Russia People's Party ("Rutskoy's party") would seem a thousand times more important than all the clamorous demonstrations put together. And it is reassuring that, God willing, the political centrists are finally, in their activity, outpacing the political extremes of all colors. Of course, merely the announcement of the formation of new parties, even headed by the most popular leaders, is insufficient for this. It is necessary to propose a serious policy: convincing answers to life's disturbing questions. What are these questions?

It is not difficult to foresee the social ground of the political tension likely in the next few months. First, the accumulation of fatigue from the high prices, which will evidently take its toll, even if the new round of price rises does not go beyond the framework of the government's optimistic forecasts (compared with January's 400 percent index, the anticipated rise of 50-75 percent as a consequence of the April "retroliberalization" could seem modest, but only seem such—in actual fact this will be by no means easy). Second, the consequences of the dismissals in connection with the reduction in or elimination of individual works which the market deems inefficient or unnecessary.

The consequences of both for the populace could in principle if not be removed entirely, then appreciably alleviated. In connection with the price increases the policy of beamed support measures—not to everyone in succession but to specific socially vulnerable strata—which has, in particular, been adopted by the government in principle, is effective. But, given such a policy, the entire essence lies in the actual details, in the painstaking polishing of the details. If it produces no result, a lowering of taxes on the food for school dining halls, for example, direct subsidies for these dining halls could be tried, perhaps. It would be extremely desirable to learn to think about the social consequences of economic measures, if only for one move ahead. For example, the impending liberalization of the price of bread is causing anxiety in view of this product's particular place in poor people's diet. There are people for whom cheap bread has been the last bastion of defense. There are also, of course, those who throw bread away and who feed it to livestock. In order to save some and guard against others we have to pass between Scylla and Charybdis, but this we have to do.

It is possible in principle also to prevent mass dismissals becoming mass unemployment. For this it is necessary for a person who has lost his old job to be offered a new one. Such ultimately is the way to future prosperity: when instead of the needless tank and aircraft carrier works, consumer merchandise works and service enterprises appear. This is possible, and some countries have a wealth of experience of such work. But in practice this is extremely difficult, and we know very little of world experience. The creation of new jobs and the retraining of personnel take time, money, and the consent of the personnel themselves. Corresponding programs from the government are not in sight. From those criticizing it either.

Unfortunately, in the socioeconomic sphere also acting usually runs ahead of policy. I read with mixed emotions recently in IZVESTIYA an interview with a person who had been released early from imprisonment after having served time for betrayal of the motherland—for trading in state secrets. No, I am not opposed to mercy for the fallen. I would simply like to be sure that state charity gets to people in a sequence dictated by the logic of charity itself. That it first be cast where the more numerous and less guilty are suffering. I do not see this, alas. I cannot understand why a mercy which can concern itself with the sufferings of a handful of traitors to the motherland and aircraft hijackers is in no hurry whatever to assist the many thousands of those convicted of "economic crimes," which in accordance with all civilized notions are no crimes at all.

I see here an open confrontation between policy and the game of politics. The procrastination over an amnesty for those convicted of "economic crimes" is a direct signal of hope to those who are still counting on seeing market reforms declared a crime. And a signal scaring away those would like to persuade themselves of the dependability of an official policy of reforms and lend all their efforts to enterprise. Down the ages all new authorities have hastened to proclaim their "newness" by means of an amnesty for those considered criminals.

from the viewpoint of the old policy. With the start of market reforms the procrastination over an amnesty for those guilty of "prereform" behavior is giving rise to increasingly oppressive perplexity.

They are strong authorities which know how to recruit supporters for themselves. Dependable supporters are secured by dependable policy, not acting.

Two-Year Growth of Moscow Joint Enterprises

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No 53, 18 Mar 92 p 5

[Article by Sergey Zamzhitskiy: "Where Can the Poor Joint Venture Go?"]

[Text] By now joint entrepreneurship in Russia has become an appreciable element of the market sector of the economy. This is largely explained by the fact that joint ventures determine their own internal policy and direction of development, relying on horizontal ties with foreign and domestic partners. The basic indicators of the activity of joint ventures such as capital-output ratio and labor productivity are basically higher than those of other enterprises.

On the other hand, if one looks at the sphere of investments by foreign investors it becomes apparent that a large share of them are in state trade, the assembly of computer and simple household equipment, intermediary and consulting services, and light industry. This is explained above all by the small capital investments in these areas and the fact that they do not depend on material and technical supply from Russian suppliers. It is important to note that there is a higher demand for products of these industries, and this means that there is a possibility of rapidly recouping capital investments. For example, take the SIBA joint-stock company, which produces Russian-Canadian-made watches. The use of the modern Canadian design and reliable works ensures good quality, and costs are rapidly recouped. This orientation when assimilating a new market for branches which have a rapid return on capital investments is fully in keeping with world foreign investment practice. This is also shown by figures from the State Committee for Statistics of the Russian Federation which show that 10 percent of the telephone equipment, eight percent of the computer equipment, four percent of the equipment for light industry, and about two percent of the footwear in 1991 were produced by enterprises using foreign capital.

But as of the present day, investments of foreign entrepreneurs in the area of machine building entail negative consequences for the investor: A large share of the batching items have to be imported because they are not available on the domestic market, and the sale of the final product and the calculation of profit are made more difficult because of the instability of the ruble.

As compared to the sphere of machine building, investors who invest capital in areas with a longer period of recoupment end up in a preferable position: extraction and processing of minerals. Their advantage consists in that, when

hard currency funds are invested in these areas the final product is raw material which, unlike machine tools and machinery, sells well on the foreign market. Thus the Topliva Kompaniya joint venture invests in the coal and oil industry and the processing of raw material. Delivering equipment and technology for processing and enrichment, the joint venture has the opportunity to deliver products that meet world standards, and the profit that is received is reinvested in the Russian economy.

The growth of foreign investments in the construction industry is explained by the fact that in the domestic market there is a constantly growing number of clients with large incomes who are demanding buildings, facilities, and housing with qualitatively higher specifications. Material expenditures can largely be covered by ruble funds, that is, there is a large potential for a construction base on the domestic market.

Converting defense enterprises and drawing them into the structure of world economic ties is a very important aspect. Having a powerful scientific and technical basis, developments, and a production base, Russian enterprises will be able to adjust in the near future for producing products whose quality and parameters surpass the models that exist now.

The basic directions for the development of joint entrepreneurship and integration of Russian enterprises into the world economy take various paths. For light industry, machine building, and the processing industry the placement of orders with Russian enterprises is very important. For example, Moskozhobyedineniye is loading its production capacities with raw material and Canadian firms are placing orders for the manufacture of batching items for furniture and the assembly of consumer goods from prepared components and parts. The German firm Adidas, for example, which produces sneakers and sports clothing, is entering the Russian market for the first time and investing capital in its economy. The widely known Bosch firm is opening up centers for repair and servicing of its household equipment.

One kind of joint entrepreneurship is the assembly of products from prepared imported components and parts. Thus the Funoi and Samsung firms assemble computers and videotape recorders, and this does not have a negative effect on the quality.

In the meantime the production of smaller parts is being arranged in the local areas. One of the varieties of this kind of cooperation is the importing of individual blocks for items that are already being produced. This method is used at the Moscow Rubin plant in the production of television sets.

These are the paths taken by Singapore, South Korea, Taiwan, and Hong Kong. China is now in the initial state of integration into the world economy. The Russian market, as distinct from the markets of Southeast Asia, are attractive to Western entrepreneurs because of their future prospects and the availability of large supplies of minerals and skilled labor resources.

Joint Ventures in Moscow									
	Unit of Measurement	1989			1990	Growth in % of 1989	1st quarter 1991	1st half of 1991	9 months of 1991
		USSR	RSFSR	Moscow	Moscow		Moscow		
Joint ventures									
Number of registered joint ventures	unit	1,274	947	630	891	1.4-fold	921		
of these, operating	unit				340		393	527	558
including those producing products or rendering services	unit				293		329	451	492
those engaged in production of consumer goods	unit				53				
proportion	%				18				
volume of goods produced, services rendered	millions of rubles			365.2	1,865.2	5.1-fold	950.7	2,204.6	4,043.4
including consumer goods produced	millions of rubles				267.9				
proportion of output from state enterprises	%				1.3				
of consumer goods, nonfoodstuffs	millions of rubles				231.3				
proportion of output from state enterprises	%				1.5				
number of personnel, total	thousands			11.1	34.46	3.1-fold	35,022	45.2	53.4
including Soviet citizens	thousands				34,064		34,447	44.6	52.8
personnel in basic activity					30,905		32,758		
expenditures on wages, total	millions of rubles			36.3	203.4	5.6-fold	516.8	197.8	357.9
including Soviet citizens	millions of rubles				198.3		514.6	193	349.6
Foreign economic activity of joint ventures									
exports	millions of foreign exchange rubles	126.5	108.5	84.1	108.3	128.8	55.1	202.4	235.9
imports	millions of foreign exchange rubles	420	325.2	220.6	478.3	2.2-fold	244.8	429	555.9
sales on the Soviet market									
for foreign currency	millions of foreign currency rubles	198.1	174.6	165.8	391.5	2.4-fold	223.2	362.3	566.5
for Soviet rubles	millions of rubles	842.5	596.8	396.9	1,566.5	3.9-fold	877.1	1,926.3	3,546.1

Joint Ventures in Moscow (Continued)

	Unit of Measurement	1989			1990	Growth in % of 1989	1st quarter 1991	1st half of 1991	9 months of 1991
		USSR	RSFSR	Moscow	Moscow		Moscow		
authorized capital of joint venture	billions of rubles				2		2.074	2.289	2.501
including from foreign firms	billions of rubles				0.91		0.929	0.996	1.05
proportion	%				45.5		44.8	43.5	42

Problems Privatizing With Foreign Capital

924.408/6B Moscow DELOVOY MIR in Russian
No 53, 18 Mar 92 p 15

[Article by Vladimir Gutnik, candidate of economic sciences: "Privatization With the Participation of Foreign Capital: A Real Chance or an Illusion?"]

[Text] It seems that the majority of the population understands that privatization is necessary not for dividing up property but for stimulating production. But as soon as it comes to a concrete mechanism or concrete privatization projects, over and over again the idea of social justice comes to the fore. And even the most consistent liberals cannot hold their ground in the face of the populist demands to give back (!) the property to the labor collectives and not allow it to fall into the hands of the domestic mafia, shadow economy businessmen, or world capital.

One of the most painful and least resolved issues is that of the use of foreign investments in the process of privatization of state enterprises. The government is trying to find the golden mean between "let them in" and "keep them out." Incidentally, nobody intends to close the doors on them completely; but to introduce restrictions and strictly control this process—these are the minimum goals set by the government. Of course, this process must be controlled but at the same time it would not be a bad idea to have clear cut, long-term goals and the corresponding strategy with respect to foreign investments.

One policy must be adhered to if the task is to maximally protect the domestic economy from the penetration of foreign capital and quite a different one, if foreign firms are regarded as partners capable not only of finding advantage for themselves but also of helping to modernize our economy. Moreover, the laws, ukases, and instructions that are applied must be the unified in spirit and relatively long-term in effect. Especially when not only the Western entrepreneurs but even local experts fail to understand how the law and the ukase relate to one another and what to do if they work simultaneously but in different directions.

So far there is no simple solution—to stimulate or restrict the influx of foreign capital into the Russian economy. There are contradictory statements from representatives of departments responsible for this—either

the foreigners, having bought up part of the Russian property, will actively modernize our enterprises, or, not wanting to have competition in the future, they will not bring in the most advanced technology, dooming us to eternal backwardness. With this kind of indefiniteness, the foreigners are not likely even to consider the possibility of participating in our privatization. The more so since the law "On Foreign Investments in the RSFSR" establishes that the conditions for the participation of foreign investors in the competitions and auctions for privatization "are determined by legislation in effect on the territory of the RSFSR," but there is none unless one counts the Basic Provisions of the Privatization Program for 1992.

Although few people would get the impression that foreign capital is standing on the Russian threshold waiting for an opportunity to buy more, nonetheless certain individuals responsible for regulating the participation of foreign investors in the privatization of Russia state that priority in this process should be given to domestic investors, and the government will use protectionist measures to protect local entrepreneurs.

But as one of the leaders of the Russian Federation State Property Committee put it, figuratively but correctly, here in Russia privatization can be carried out quickly (basically in two or three years) or not at all. But it is clear that even the most competent and energetic government cannot create a normal entrepreneurial class and a competitive environment in two or three years. And, in addition to liberalizing export-import operations, foreign capital could act as an extremely effective catalyst for the establishment of domestic entrepreneurship and also as a subject providing at least minimal competition. But could it be that it is not the entrepreneurs but the branch ministries and main administrations who have assumed this new "association-concern" identity who will be sheltered by this protectionism? Is it not the desire to prevent competition, which undermines the monopolistic positions of these departments, that is limiting foreigners' access to our markets?

In my view, reasonable restrictions and efficient control over the enlistment of foreign investments in the Russian economy are necessary, but in this stage a stimulating approach should prevail over a restrictive one. There are not so many real investors who will come to buy our enterprises. And in order for them to be real

investors they must use the competitive form wherever possible which includes investment (for expansion and modernization), ecological, and other conditions. And then the example frequently heard from the mouths of domestic leaders of the privatization process about some American student who can earn \$1,000 during vacation and use it to buy a small plant in Russia will no longer make sense for, in addition to the purchase, the student will have to invest many millions of rubles and tens of thousands of dollars in order to set up normal effective production, and failure to meet this condition will mean simply losing the \$1,000 he initially spent (at least part of it). Therefore with intelligently formulated conditions for competition it is possible to select real investor-entrepreneurs and not speculators (although a 100-percent result is not guaranteed here either).

Let us take another frequently used example. A privatized coal mine is appraised at 60 million rubles [R]. Half of it is turned over to the labor collective and half of it is sold to an American investor (R30 million). In all cases like this disturbed voices ring out: For by selling a two-week volume of mined coal—according to the estimated capacity—on the world market the American partner will recoup his expenditures for buying his share of the stocks in the mine (based on the market rate of exchange of the dollar for the ruble as of January 1992). But this estimation is extremely superficial. In the first place, we do not know how much additional money will have to be spent in order to mine this coal. Or whether it will be mined at all if the American partner does not help. Second, it is not clear how the coal will be shipped and how much that will cost. Finally, in the third place, is it so easy to quickly find a buyer who is ready to pay a high price in dollars for coal which is hardly of the highest quality. So possibly this price of 30 million is reasonable if the purpose of privatization is not to bring additional revenues into the budget but to set up production. After the adoption of the Russian law on foreign investments it seemed that the application of the national conditions to Western investors would increase the attractiveness of investments in the economy of Russia (and this is what your humble servant was counting on—see DELOVOY MIR for 17 August 1991). But very quickly it became clear that the economic situation makes it impossible to proceed from the principle of national conditions, that is, to create equal conditions for domestic and foreign investors. And not only because restrictions are being introduced in a number of branches but also to a large degree we must apply a system of incentives and benefits that will efficiently attract capital from abroad.

In principle the ban on the participation of foreign investors in privatization pertains only to the group of enterprises and productions whose privatization in 1992 was banned (although the ban was not unconditional—just as the government imposes the ban it can also lift it). But investments in the enterprises that are most attractive to foreigners (science-intensive, conversion, those of the fuel and energy complex) are possible only by a

decision of the government of Russia (apparently the government is not counting on a large number of offers if it intends to make individual decisions in each specific case). Moreover, it is unclear which deadlines and which criteria it will use for this. Taking into account the statements of representatives of the State Committee for Property to the effect that corruption presents a special danger in privatization (they say it is for this reason and not out of fiscal considerations that exclusively commercial competitions are permitted), it is still impossible to understand the vagueness of the plan for utilizing foreign investments.

To be sure, for a number of facilities (enterprises operating at a loss, incomplete construction projects, enterprises for processing agricultural raw material, and certain others) there are certain incentives, an especially interesting one being the transfer to the foreign investor of the right to control blocks of shares belonging to property funds: By purchasing 10 percent and gaining control over, say, another 20 percent, a Western firm receives a controlling block with a minimum risk. But many are bothered by the lack of tax breaks, especially in the initial stage, which requires significant investments. Moreover, it is expedient not to restrict incentives to the range of objects which foreign capital is not likely to reach, but to extend them to the extraction and processing of raw material, science-intensive conversion productions, and so forth. But, of course, all this will work if we manage to provide at least a modicum of political and economic stability—a more important factor than financial benefits.

FNPR Chairman on Socioeconomic Policy Declaration

924408894 Moscow ROSSIYSKAYA GAZETA
in Russian 2 Apr 92 p 3

[Commentary by FNPR Chairman I. Klochkov, under the rubric "Trade Unions"; place and date not given: "The People's Impoverishment Has Reached a Critical Point"]

[Text] The Russian Federation of Independent Trade Unions (FNPR) has passed a "Declaration of socioeconomic policy to avert the collapse of production and the impoverishment of the people." FNPR Chairman Igor Klochkov comments on it.

The trade unions are pursuing two main goals: averting a drop in production, and ensuring people's social protection during the transition to the market. A decline in production is the main danger today. The production of consumer goods, food, medicine, and building materials is contracting; that is, what every Russian needs most is not being produced.

There is another aspect to this problem as well. A decline in production inevitably leads to the closing of shops and plants. Today for the first time in two hundred years the Klyazminskiy Iron Foundry in Kovrovo has stopped producing iron. Textile production in Ivanovo has

stopped, and the van combine at Cheboksary has stopped production. Hundreds of enterprises are operating at half their capacity, and even more are on the verge of stopping altogether. This means that mass unemployment is approaching. Even according to official prognoses, the army of unemployed could increase by the end of the year to 6-10 million. And if the drop in production is not halted, then there will be about 25 million unemployed. And no one is insured against that lot.

The government is proceeding unhesitatingly toward a substantial decline in production, guided by the monetarist theory of market regulation, which is effective only in an already formed market economy, when the crisis is connected with overproduction of goods. Here, as we know, it is a different situation, there are shortages all around.

Credits and tax advantages, however, will not save the situation if enterprise expenses prove excessive. Today many enterprises are on the brink of bankruptcy due to the high prices for raw materials, components, and energy. This is why it is so necessary in the immediate future to retain price regulation for oil, gas, coal, and so on. The reckless export of energy sources that the state economic policy memorandum of the Russian Federation transmitted to the MVF [no expansion provided] proposes, to the detriment of our own economy, cannot be allowed.

Burdens during the transition to the market are inevitable, but they do not have to be excessive. Today the impoverishment of the masses has reached a critical point. According to the Socioeconomic Research Institute of the Russian Academy of Sciences (RAN), 3.8 percent of those surveyed say they are going hungry.

We can expect a new and sharp decline in real income after energy prices are freed up is expected. Meanwhile the government is building its calculations on the so-called physiological subsistence minimum, which it sets at 500 rubles (R), that is, R100 more. At the same time the minimum wage was below that physiological minimum for three months. In this situation, proposals are appearing for additional limitation on the growth of wages in state enterprises, which today employ 80 percent of workers.

There are serious divergences among the trade unions with the government's approach to social protection. In its memorandum, the government talks about assistance aimed at vulnerable groups of the population. In fact, that is, in concrete proposals, this looks like reducing the unemployed. The memorandum completely ignores the issues of maintaining hospitals, homes for the aged and invalids, boarding schools, children's homes, and houses of children. Meanwhile, it is obvious that the norms for their maintenance need to be reviewed regularly in accordance with increases in prices.

The success of reform greatly depends on how quickly the process of privatization gets under way. The government is attempting to limit the rights of labor collectives in this important process to a strict framework. The opening of individual private accounts for Russians has been delayed. The trade unions feel that it is necessary to change the procedure for competitions and auctions and to extend advantages to the labor collectives. The FNPR mostly supports government policy on the agrarian issue, although it asserts that the countryside has been abandoned to the tyranny of fate and reforms there are proceeding slowly.

On the whole, the FNPR proposes a gentler adaptation of the economy to the new conditions. It is not too late to make corrections in the government's program.

Trilateral Commission on Labor Issues

924A08094 Moscow *RABOCHAYA TRIBUNA*
in Russian 20 Mar 92 p 1

[Report by Anatoliy Parshintsev and Viktor Ukolov: "Kuzbass Strikers Are Certain: There Is Neither Bread Nor Truth in Moscow"]

[Text] Kemerovo-Moscow—*The hallmark of the latest session of the Russian Trilateral Commission on Regulation of Social and Labor Relations was completing the work on the text of the long suffering General Agreement for the current year. In a few days, it will be solemnly signed—perhaps, even in the Kremlin, as entrepreneurs' representatives insisted.*

One could, together with commission members congratulating each other, feel an overflowing sense of fulfilled duty and satisfaction, were it not for one small "detail" that spoiled the whole picture. During the entire day, a delegation from the Interbranch Coordinating Council of Kuzbass Strike Committees sat at the back tables waiting for its member to be given the podium.

The issue was on the agenda, the main report was to be presented by Deputy Prime Minister Aleksandr Shokhin, head of the delegation that had visited Kuzbass just recently. However, he did not show up at the trilateral commission; as the day went on, other members on the government side also quietly evaporated.

Gennadiy Mikhaylets, chairman of the strike committees council, and his comrades, seeing that the meeting was getting close to the end, gradually started seething in their gallery and in the end revolted. Mikhaylets demanded to be given an opportunity to speak. A long argument ensued: Does it make any sense? Gennadiy did get his way. He poured out all his, to put it mildly, dissatisfaction with the activities of the trilateral commission's envoys in Kuzbass. They met predominantly with local authorities, and listened more willingly to those who do not support the current strike. One of us—correspondents—was there among the "entourage," so to say. So we are writing it not from hearsay.

A. Shokhin showed up in the building of the federation of trade union organizations on the third day, more than an hour late. He faced an auditorium filled over capacity.

Attempts to prove "with figures and facts" the wisdom of the policy chosen by the government in respect to the main mass of the Russian people were not successful. In response to A. Shokhin's arguments, teacher T. Bessonova said this: "The government does not finish anything it starts. Tell us, why is the presidential decree on educational workers not in effect?"

Shokhin also had a disappointing conversation with deputies of the Small Soviet, where he also arrived 40 minutes late—although, as everywhere else, he set the time for the appointment himself. He was asked: "Does the government believe it has made a mistake in thoughtlessly raising miners' salaries, which has led to a sharp jump in prices on goods and food and essentially has split society?"

A. Shokhin: We reckoned that the miners' salaries would not go above 10,000 rubles.

Deputies: But in reality miners' salaries are higher than those in other industries by a factor of 20 or 30.

A. Shokhin: Do you support the Yeltsin government?

(Well, when you run out of arguments and have the power behind him, just ask bluntly: "Are you for the whites or for the reds?")

A. Tuleyev, chairman of the oblast soviet: The mechanism of regulating labor remuneration has been shelved in the government—it is a document that grants Kuzbass the status of a free enterprise zone. It is signed by the president. Why are you delaying putting it into effect?

A. Shokhin: Then we would have to open doors for others as well.

They who have ears—hear this! A terrible situation: Having pushed Kuzbass into an impasse and not making any decision from above, the government is putting the brakes on the initiative from below.

Tripartite Commission Authority Bypassed

924A0822A Moscow *RABOCHAYA TRIBUNA*
in Russian 24 Mar 92 p 1

["Our Information" report under the rubric "From the FNPR Viewpoint": "A Screen of Verbiage?"]

[Text] For several months now *RABOCHAYA TRIBUNA* has regularly been informing its readers of the work of the Russian Trilateral Commission on the Regulation of Social-Labor Relations, making special note of just about every real step taken by the partners—the government, trade unions, and businessmen—to

approach one another. More often than not, unfortunately, we have had to assert that disputes and discussions in the commission created by ukase of B. Yeltsin seem to be conducted for the sake of form.

"The intolerable practice has recently arisen," the official protest of commission members from the FNPR [Federation of Independent Trade Unions of Russia] states, "of drawing up and adopting extremely important legislative and other normative acts in the sphere of economics and social-labor relations without the knowledge or participation of the Russian Trilateral Commission. The presidential ukase is being grossly violated and the work of the commission is actually being blocked."

Regulations on the commission, ratified by the government, stipulate that normative acts are adopted not only following trilateral consultations, but after preliminary discussion of their draft versions as well. Moreover, these drafts, as well as plans of future government activity, are to be received by the commission in timely fashion. It works smoothly on paper...

FNPR representatives cite a specific instance. At a time when they were discussing problems of prices and wages in the commission and trying to make a more precise determination of the minimum subsistence level, the president issued an ukase "On the System of Minimum Consumer Budgets of the Russian Federation Population" and the government adopted a resolution "On Changing the Price Formation Procedure for Certain Varieties of Consumer Goods." A curious thing in this regard—on 6 March, not having reached a mutual decision on price-formation questions, commission members agreed to carry over the discussion to 11 March, but then the very next day the above-mentioned resolution was signed in the government.

Considering such an attitude of the president and government towards the trilateral commission as intolerable, the authors of the protest (who announced it at the direction of leaders of industry trade unions belonging to the FNPR and the Moscow Federation) reserve the right to strive to attain, by all means permissible by law, unswerving observance of the understandings previously reached. Accusations were also directed against G. Burbulis, first deputy chairman of the government, as commission coordinator.

TU Chairman on Fishing Industry Problems

924A0757A Moscow *TRUD* in Russian 10 Mar 92 p 2

[Interview with V. Zyryanov, chairman of the Central Committee of the Employees of the Fishing Sector of the Russian Federation, by A. Kozlov; place and date not given: "Sturgeon and Pollock Are on the Way Out"]

[Text] **How many seas wash the coast of Russia? Not a single one if we judge by the shelves of our stores.**

Delegates of the founding conference of the Trade Union of the Employees of the Fishing Sector of the republic sent

a letter to the Russian Federation president. In their opinion, the decisions of the government concerning the reorganization of management structures do not take into account the peculiarities of the industry and its significance in providing foodstuffs for the populace. Besides, no hard currency is available to finance expenditures associated with the operation of vessels in the economic zones of foreign states and conventional fishing zones, in which one half of the fish we consume is caught.

Our correspondent met with the trade union central committee chairman, V. Zyryanov.

[Kozlov] Viktor Aleksandrovich, TRUD has repeatedly reported on unfavorable trends in the economics and social sphere of your sector...

[Zyryanov] Many problems have become constant, and hopes for the better are growing weaker... Moreover, new troubles come up. Here is a telegram from chief of the Kamchatrybvod [expansion not identified] N. Markov and Fish Protection Service senior state inspector S. Vakhnin. In the second half of 1991, 60 Polish, South Korean, and Chinese vessels caught daily between 100 and 130 tonnes of fish each in the open portion of the Sea of Okhotsk, in which the young fish of the entire population of pollock in that sea get fat. During this period, we lost 1.5 million tonnes of the very pollock which is helping us to keep the country fed at least to a degree. Such rapacious fishing had the blessing of the chairmen of the Kamchatka and Khabarovsk ecology committees, V. Santalov and A. Kolenichenko. For example, they signed a contract on monitoring fishing by a group of South Korean vessels, and in effect sanctioned the destruction of young fish. It is easy to imagine how they "monitored" as they received hard currency...

[Kozlov] The Sea of Okhotsk is surrounded by our territory on all sides. Why did fishermen from foreign vessels catch fish in these waters?

[Zyryanov] There is a small patch in the central part of the sea—merely three percent of the total water area—which represents so-called international waters, completely surrounded by our 200-mile economic zone. Any foreign vessel may fish in these waters.

In the fall of last year, the USSR and RSFSR Ministries of Foreign Affairs and the Ministry of the Fish Industry tried to secure the agreement of a number of countries to cease fishing there. However, with the exception of Japan, nobody agreed to this, citing the freedom to fish in an open sea. Our trade union insists that the Government of Russia continue seeking to regulate fishing in the Sea of Okhotsk patch. Two to three years from now, we will be left without fish from the Sea of Okhotsk unless this is done.

The situation in other locations is no better. Thus, in recent years the catch of unique sturgeon and small salmon species of fish in the northern section of the Caspian Sea and in the estuary of the Volga dropped sharply. A rapid rise in the level of the sea deposits salt

and floods the spawning and fattening grounds of the estuary. Every year, the river brings tremendous amounts of chemical and industrial wastes which are harmful to the fish. The situation is further exacerbated by the fact that the completely overt and massive plunder of fish reserves has begun all over the Caspian Sea.

The fishermen of Astrakhan believe that it is necessary for all Caspian states to sign an intergovernmental agreement on the conservation of resources and regulation of fishing immediately. It is necessary to suspend the implementation of interstate programs for prospecting and extracting oil and gas in the northern section of the Caspian Sea in 1992 and 1993. We should also adopt uniform fishing rules and a program for the reproduction of reserves, and to preserve a complete ban on catching sturgeon at sea.

[Kozlov] Who practices the rapacious fishing of sturgeon at sea?

[Zyryanov] Such fishing was banned in the former USSR from 1962 on; the catching of mature fish was allowed only at the mouths of rivers. At present, fishing on the Caspian Sea is regulated by republics, oblasts, and rayons. Perhaps, the Council of Ministers of Dagestan was the first to want "its own." It suspended the operation of the relevant regulatory acts in its territory, and handed over the facilities of the West Caspian Basin Directorate for the Protection and Reproduction of Fish Reserves to the State Committee for Environmental Protection of Dagestan. The latter, proceeding from strictly local interests, started authorizing fisheries and other organizations, including cooperatives, to catch sturgeon without restrictions and to procure their caviar on waters adjacent to the republic, including even the preserve zone from the river Sulak to the border of Kalmykia, i.e. in locations where young fish gather en masse.

For example, in November of last year, more than 8,000 set nets were installed along the coast of Dagestan, which in and of itself is a most grave violation of fishing rules. The same banditry is practiced along the coast of Azerbaijan, as well as in other areas.

Fish protection organs approached the Constitutional Court of Russia requesting that the resolution of the Dagestan Council of Ministers be revoked as unlawful and inflicting irreparable damage. However, for now rapacious fishing goes on. The basin-wide principle of locating the organs of fish protection no longer applies. They are now distributed on the administrative-territorial principle. That is to say, a unified system for managing fish resources has been destroyed; as is the case throughout the world, regulation of the size of the catch, research work, reserve protection, artificial hatching, and so on are parts of such a system.

[Kozlov] We hear more and more often that the government is failing to keep its promises to fishermen. This concerns the preferential taxation of enterprises as food

producers, debts to sailor personnel (the fishermen have accumulated about 20 million foreign exchange rubles which they are unable to use because specialized shops of the Trade Directorate of Maritime Transportation have been closed), and a number of other serious problems. What does the trade union intend to do in order to solve them?

[Zyryanov] It is necessary that we meet with President B. Yeltsin as soon as possible. Subsequent actions of the trade union will depend on the outcome of the meeting...

[Kozlov] Why do you want to meet specifically with the president?

[Zyryanov] We have repeatedly approached all government organs; they heard us out, they were compassionate, they gave us promises—but that was it... We hope that the president of Russia will perceive our needs.

Department Director on Aviation Crisis

924A08804 Moscow VOZDUSHNYY TRANSPORT
in Russian No 11, Mar 92 pp 4-5

[Interview with A. Larin, director of the Department of Air Transport, by VOZDUSHNYY TRANSPORT correspondent Yu. Ostapenko: "We Must Help to Bring About the Rebirth of Our Aviation"]

[Text] We present our interviewee: A. Larin, born in 1946, has served in civil aviation since 1965. A Pilot First Class, he has worked in the Bykovskoye and Domodedovo enterprises and the Ministry of Civil Aviation staff. He was the founder and president of the "Avial" airline, and he has flown many types of aircraft, including the Tu-144. He has a higher education in aviation and economics. He is married and has two children. He has been the department director since 1991.

[Ostapenko] Aleksandr Aleksandrovich, the questions in today's interview have been taken from readers' letters, and they reflect the concerns and anxiety of tens and hundreds of thousands of aviators who are worried about the state of affairs in the sector and the uncertainty about tomorrow.

[Larin] Indeed, as a part of the overall economic machinery, civil aviation is afflicted with all the ills of a sick economy—it cannot be otherwise. Hyperinflation, a lack of fuel (the rapid decline in oil production), the wornout fleet of airplanes and helicopters, the outdated "ground" infrastructure (air terminals, hotels, communications facilities, airports), the wages that are inadequate for the work, the neglected social area, the presence of sharp production conflicts, and the lack of housing—these are the features of the crisis that has struck our sector, which many had thought was one of the most stable elements in the system.

The crisis turned out to be much deeper and more serious than we had assumed, but we are nevertheless

confident that Russia's aviation has a chance to come out of it in a proper manner, to be revitalized and occupy its rightful place.

[Ostapenko] What is the basis for your confidence?

[Larin] The problems which I just mentioned are apparent mainly to the professional and the employee in the sector, and VOZDUSHNYY TRANSPORT is read mainly by these categories of people. For the ordinary passenger, evaluation of the transport system's activity means the airport, the ticket counter, the ticketing agency. And in spite of the most difficult conditions, the meager wages, and the shortages of everything, flights on the centrally scheduled routes are being made regularly, passengers are being served at the previous level, and clients in the PANKh [use of aircraft in the national economy] system—geologists, builders, oil workers, and so forth—are working with aircraft just as closely as always. So in our opinion, civil aviation is one of the few sectors of the national economy which is operating rather smoothly. The pilots, engineers, controllers, cargo handlers, communications specialists, and all the employees in the sector, for whom aviation is not simply a place to work, but a calling, deserve the most credit for this. Aviation has always been strong precisely because of such people, and one of the most important tasks of the department which I have been asked to head is to retain the people, the sector's priceless wealth.

[Ostapenko] Now we come to the most important issues. Your program. Most of the questions in the editorial office mail are on this subject.

[Larin] So we have come to the program... There is no shortcoming in the programs now; we have a program such as this in the department as well, but even by working 16 to 18 hours a day we have to deal with a great many routine problems every minute, and if we do not resolve them, activity in the entire sector may be paralyzed. The threat of a controllers' strike. The failure to deliver enough fuel, discontinuation of financing, and so on and so forth.

But these are all really routine matters, and sooner or later, when the department is fully staffed, it will assume responsibility for most of the routine matters, but in the meantime we are dealing with the urgent business which must help the sector survive today. To survive today and stabilize the situation, so that the strategic problems can ultimately be resolved.

What are they? Well, first of all, as the state organ for administration of the sector, the department provides assistance in developing independent, competitive airlines with various forms of ownership in Russian territory. Breaking up the monopoly in air transportation—this is the general course to fully meet the demand and improve the quality of air service.

The following proceeds from this assumption. As soon as the airlines are established, no department will be in a position to handle all the ground equipment, buildings, and facilities.

Consequently, municipalization of airports is a necessary step which we will come to sooner or later. In the meantime, the local soviets are not prepared to assume responsibility for them, and neither are the giant enterprises or joint stock companies. But we will come to this without fail.

Further, privatization. The most important and complicated feature of our program. Alas, state ownership of the means of production has not established strong prerequisites for progress in the area of equipment and the people who manufacture and operate aircraft. I think in possibly a short period of time we will begin work actively on privatization (chiefly by labor collectives) of the property of aviation enterprises, repair plants, and civil aviation institutions.

[Ostapenko] Indeed, it is a very complex question, Aleksandr Aleksandrovich. After all, it is one matter when the collective of Domodedovo privatizes powerful, expensive equipment and acquires a brilliant future, but another matter when the collective of the Orel Detachment, let us say, has to assume all the debts along with the unprofitable An-2's.

[Larin] Indeed, neither the people at Orel or Domodedovo purchased any equipment at any time; they inherited it from the centralized system of distribution, and this has put the collectives of Russian aviation enterprises in extremely unequal starting conditions. This is where the department should play its role as the organ of state administration. The situation cannot be corrected by any willful decision. We need a scientific approach. We are working closely with the sector's scientists (the GosNII GA [State Civil Aviation Scientific Research Institute]) and with academicians (the Institute for Forecasting the National Economy, in particular). But all this is difficult and will take a long time.

[Ostapenko] A really long time, Aleksandr Aleksandrovich. After all, many enterprises, especially in the center of Russia, have one foot in the grave today, as they say.

[Larin] A year—this is not long for a very complicated process like privatization. Especially as there will be no government decision on privatization in transport in 1992.

A year is a long time if we are referring to urgent steps to stabilize the situation, to rescue the collectives on the brink of bankruptcy and ruin. I was speaking at the beginning of our discussion about the fact that the crisis in the sector turned out to be deeper and more terrible than we could have expected, and this crisis has affected practically all aviation enterprises. All of them! The sector which has been profitable until now, the country's third highest provider of foreign exchange, finds itself in a colossal deficit. Even the TsUMVS [International Air

Services Central Administration] has its losses. Giant installations such as Domodedovo, Rostov, Vnukovo, and Khabarovsk, which have always been profitable, are operating with negative balances. Even with the present rates of inflation we will reach the end of the year with a loss of 4 billion rubles! Is this a paradox? No, the deeply neglected illness of an economy which allows an air ticket from Sochi to Domodedovo, let us say, to cost less than to travel from Domodedovo to the city. A bottle of wine in a commercial store is more expensive than an air ticket from Moscow to Kiev.

[Ostapenko] So what is the solution, Aleksandr Aleksandrovich?

[Larin] At first glance, there are two ways out. The first one is to raise the tariffs for air transport so that the cost of equipment and its maintenance, fuel, airport maintenance, and wages for personnel can be paid. But then the tickets will be in four figures, and consequently, air transport will cease being popular (our greatest achievement!), and it will become accessible only to a handful of people. Can we follow this path? No! After all, air transport not only performs transportation functions, but social ones as well where the airplane is the only means of transportation.

The second alternative is to avoid the losses brought to us with every departure now—this means reducing the number of flights altogether. Well, that would be madness, generally speaking.

It is clear that transport is part of the state infrastructure, and such an important part that the state itself cannot function without it. It is clear for this reason that during a period of crisis the state should retain the transport system as one of the decisive factors in dealing with the crisis. Especially as the situation is being assessed quite realistically in the government, and we are hoping for understanding on its part.

[Ostapenko] We will continue hoping. But now let us continue discussing your program.

[Larin] All right. The general course toward demonopolization provides for active collaboration with foreign partners and entry into the world market. I think it is time that the predominance on our air routes of one producer's product comes to an end. In order to oblige patriotism as it is traditionally understood we have been flying only in domestic aircraft, rejecting the accomplishments of foreign companies. After all, our seamen have not been harmed morally because they have been using ships built in Finland, Sweden, and Germany. It is important that these vessels produced income. I think that economical, comfortable French Airbuses, spacious American Boeings, and other aircraft will be making their appearance at our airports soon. Funds are the problem.

Our plans include collaboration with foreign companies to build ground facilities and equip the airways with up-to-date air navigation systems (the Trans-Siberian

route, for example), cooperation in the air services field, and establishment of joint ventures and other forms of business. It will be difficult, but I am confident that we will hold out and not only revive the potential of Russian civil aviation, but increase it as well.

[Ostapenko] Well, it is gratifying to hear such confidence from the person who has assumed leadership of the sector at such a critical time. What is the basis for your confidence?

[Larin] I have had four months to familiarize myself with the sector in detail. It appears to me that the sector's headquarters, the department, is being shaped quite efficiently. It is staffed by competent specialists who work in the civil aviation system, persons who not only have experience, but vision as well. The selection is the strictest, and all vacancies have not been filled thus far. Incidentally, I will note that the department staff consists of less than 400 people. We have this number now because temporarily, during the crisis, the department will be involved in economic activity as well. But when the situation is stabilized, we will have only the functions of state administration. All the economic activity will be conducted in the companies and detachments.

Further. This has been a time to familiarize myself with the detachments and the administrations. As a pilot, I naturally have been to practically all the major airports, but that is another matter. Now I am interested in the economic side of life in the enterprises, the people's moods, their plans, and their ability to think in a new way. And this is precisely what has inspired optimism... Recently I flew to airports in Siberia and the Far East, and I acquired a great deal of information. The practical assistance provided by the Ministry of Transport, the government, nourishes my optimism.

[Ostapenko] You have been subjected to a difficult test in your first months in office. I am referring to the conflict with the air traffic controllers trade union.

[Larin] Yes, that is a difficult situation. This has been reported in sufficient detail in the mass media, and I will not dwell on the details for this reason. I will say only that along with economic difficulties, the department inherited even more complex problems—social ones. The controller problem is one of them. I want to state my position here, in our aviation newspaper: the department and I are open to any negotiations, to discuss any problems. But I want to be understood, too: we cannot resolve the mass of problems which have accumulated for decades and unraveled over the past 3 or 4 years in the space of two months (in January and February, as with the controllers).

[Ostapenko] Another question, Aleksandr Aleksandrovich. The former Aeroflot has been broken up into numerous national companies, and none of them, including those in Russia, can exist without each other, because the economic, technological, and scientific ties cannot be broken...

[Larin] And they must not be broken! This must not be done, by any means! Yes, the former Soviet Union broke apart into a number of independent states, but ones that are friendly, not hostile. The cities and republics are linked by thousands of invisible threads, and the human ties will not allow us to disintegrate, first of all. Aircraft will always be flying from Riga to St. Petersburg, Moscow to Tbilisi, Kiev to Mineralnyye Vody, Alma-Ata to Novosibirsk, Yekaterinburg to Minsk, and so forth. And we aviators are simply obligated to create all the conditions for such contact among people.

And as far as economic and technological ties are concerned, they can be regulated entirely by the system of contracts and agreements. Indeed, the An-2 is being repaired in Alma-Ata and Vinnitsa, the civil aviation schools are located in Aktyubinsk, Kirovograd, and Bishkek. And we Russians will be working together with them. On the other hand, Russia has a vast number of scientific institutions, VUZes [higher educational institutions], repair plants, and institutes which have always accepted airmen from all parts of the Union, and they will continue to accept and serve them as before. Only on a different, interstate basis, of course.

[Ostapenko] Now let us speak a little about the structures that have emerged on the basis of the former Aeroflot. I am referring to the Interstate Aviation Committee (MAK) and the Association of Air Transport Operators (AEVT).

[Larin] Experience itself will determine the need for and functions of the various structures. But inasmuch as they are concerned with a single objective—improving the work of air transport, we need to explain the opportunities for cooperation and unite our efforts, but under no circumstances should they be treated with confrontation or divided into "spheres of influence," and so forth. There is simply no time for this. We are the aviation department, that is, I repeat, we are open for contacts and collaboration.

[Ostapenko] And a final question, Aleksandr Aleksandrovich. How do you view the role of the VOZDUSHNYY TRANSPORT newspaper in the processes discussed today?

[Larin] I believe the aviation newspaper could become the same powerful integrating factor in CIS [Commonwealth of Independent States] civil aviation. After all, Russians, and Ukrainians, and Uzbeks—all aviators—should have a tribune from which to speak, a place where we can state our position, to hold discussion, to draw the attention of the public and the government to aviators' needs. And this is the high calling of VOZDUSHNYY TRANSPORT, an independent aviation newspaper, our common newspaper.

[Ostapenko] But the newspaper needs help today. You are aware of the situation the press finds itself in today.

[Larin] We cannot allow the newspaper to close under any circumstances. We Russians should look for opportunities to help the newspaper, and I think our colleagues in other republics could join this process as well. I call upon the managers of airlines and detachments to provide assistance and support for our common newspaper.

[Ostapenko] Thank you, Aleksandr Aleksandrovich. Let us have regular meetings, and let us give readers the opportunity to ask questions in their letters which will be the subject of our next interview.

[Larin] We have come to an agreement.

Aviation Industry Chief Interviewed

92440880B Moscow VOZDUSHNYY TRANSPORT
in Russian No 11, Mar 92 p 5

[Interview with A. Bratukhin, general director of the Department of Aviation Industry, by VOZDUSHNYY TRANSPORT correspondent B. Sidorenko: "Joint Efforts Will Bring Results"]

[Text] We present our interviewee: A. Bratukhin completed the Gorkiy Polytechnical Institute as a metallurgical engineer in 1959. He worked until 1981 at the Gorkiy Aviation Plant, then at the Ministry of the Aviation Industry.

From 1984 to 1991, A. Bratukhin was deputy minister of the aviation industry, and in December 1991 he became general director of the Department of Aviation Industry.

[Sidorenko] Anatoliy Gennadiyevich, let us begin with the objectives and tasks facing the department, and its structure.

[Bratukhin] The Department of Aviation Industry is an organ of state administration in the structure of the Russian Federation's Ministry of Industry. I want to point out right here that it was formed on a fundamentally new basis, dictated by the requirements and conditions of a market economy. The principal factor taken into account was the transition from administrative-command methods to economic methods.

Proceeding from this, the department's basic tasks are to develop and implement economic, scientific and technical, investment, and ecological policy aimed at establishing the conditions for efficient functioning of aviation industry associations, enterprises, and organizations by economic, legal, and normative regulation methods; to combine the interests and opportunities of producers and consumers to more completely meet the needs of the national economy and the public of the Russian Federation for the sector's output; and to coordinate the activity of enterprises under the department's jurisdiction.

What would I like to emphasize here? We are cooperating closely with the Russian "Aviaprom" union and the Department of Civil Aviation [sic] of the Russian

Ministry of Transport to resolve the most important questions in creating and developing aviation equipment.

The Russian "Aviaprom" union is a new structural entity based on the voluntary association of aviation industry enterprises to bring about more efficient development of the industry. This form of cooperation is beneficial for all its participants, in our opinion.

If we are speaking about the structure of the department, the sections are the basic subunits. They include the Economic Development Section, the Section for Long-Range NIOKR [Scientific Research and Experimental Design Work] Programs, the Section for Interstate and Interrepublic Relations, and the Section for Intersectorial and Intrasectorial Cooperation and Material Resources.

[Sidorenko] How are relationships with the Department of Air Transport being shaped and how will they be developed?

[Bratukhin] The traditions of close interaction between the aviation industry and civil aviation that have taken shape over many years are being maintained at the level of the newly established state structures. Our contacts cover a wide range of questions, such as providing for the efficient operation of civil aviation, including delivery of aviation equipment, as well as the operation of aircraft and their maintenance after sale.

The need for close cooperation between our departments is also dictated by the fact that the Department of Air Transport is the main customer for civil aviation equipment, including airplanes, helicopters, aircraft engines, spare parts, ground equipment, and other items. Based on its orders, we establish the volume of civil aviation equipment deliveries, jointly with the Russian "Aviaprom" union, which are approved by the Ministry of Industry, the Ministry of Transport, and the Ministry of Trade and Material Resources of the Russian Federation as a state order for enterprises in Russian territory.

Thus, in order to meet the demand of Russia's air transport for aviation equipment manufactured by enterprises in other states in the CIS [Commonwealth of Independent States], the Department of Aviation Industry, together with the Russian "Aviaprom" union and the Department of Air Transport, made an agreement for 1992 with the corresponding administrative organs of these states for the reciprocal delivery of airplanes, helicopters, and aircraft engines to meet the needs of civil aviation.

Aviation equipment is distributed among aviation enterprises by the Russian Federation Ministry of Transport (the Department of Air Transport), jointly with us and the "Aviaprom" union.

[Sidorenko] How is one of civil aviation's main problems—updating the fleet of aircraft—being resolved and how will it be resolved?

[Bratukhin] New-generation aircraft which meet the technical level of the 1990's have been developed and put into series production. I am referring to the passenger aircraft for the main long-range routes, the Il-96-300; the medium-range Tu-204; the Il-114 aircraft for local air routes; and others. They all have higher tactical and technical characteristics and most important, better fuel economy (roughly twice as much as aircraft now in operation).

The new aircraft are now undergoing testing and certification. Their series production is beginning in Voronezh, Ulyanovsk, and Tashkent, together with the many plants that are manufacturing the engines, assemblies, and instruments.

Aside from this, the aviation industry has begun work to design and build the Tu-334 aircraft for long-range mainline routes; the Yak-42M and An-38 for local routes with increased passenger capacity; the An-218 widebody for mainline routes; modifications of the Tu-204 and Il-96-300 using foreign engines and on-board equipment; the Tu-156, which has an engine operating on liquefied natural gas; the A-200 amphibian; the Mi-38, Ka-62, Mi-34VAZ, Mi-26K, and Ka-226 helicopters; and many other aircraft.

However, implementation of these plans is being held up by the lack of state budgetary financing for scientific research and experimental design work and startup funds to organize series production.

In order to maintain and utilize the aviation industry's existing potential, it will be necessary to extend the sector's sphere of investment by enlisting domestic investors in the newly established market structures who are interested in investing their funds for the development of science-intensive and promising models of equipment. The sector's high scientific and technical potential serves as a guarantee for invested funds.

Civil Aviation Problems Highlighted

924A0888A Moscow MEGAPOLIS-EXPRESS
in Russian No. 13, 25 Mar 92 p. 13

[Article by Vladimir Kucherenko: "Aeroflot: The Monster's Rebirth"]

[Text] It appeared that the Ministry of Civil Aviation was to be abolished and we would have numerous independent airlines competing without the surveillance of officials, as in the West. And we passengers would enjoy the fruits of market competition... Alas, civil aviation in Russia remains a state monopoly as before.

A special department has emerged to replace the MGA [Ministry of Civil Aviation] under the Federation's Ministry of Transport. It is now creating a Russian Aeroflot after taking under its jurisdiction all the aviation infrastructure in the republic's territory. In the experts' opinion, this will create friction with the aviation establishments of other CIS [Commonwealth of Independent

States] members. The MAK—the Interstate Aviation Committee—is being hastily formed to settle the conflicts. So just where is the sector heading—toward the market or away from it?

To the Rear, March?

"We are flying in the opposite direction!" believes Valeriy Burnayev, general director of "Bashkir Airlines" (BAL). "The Ministry of Civil Aviation that is being cursed so much now rejected operational and economic management of aviation enterprises at one time, and gave its blessing to the establishment of regional airlines. They gave the BAL full control over its aircraft—conduct your business independently, just pay the deductions from profit to the budget and observe the Air Code and safety regulations. We would have the prospect of becoming a shareholding company and absolutely independent."

Of course, we had to fight the territorial administrations, which we simply did not need any longer. But that was nothing compared with the methods of the Russian Department of Air Transport (DVT), whose first act was to take over the functions of managing the aviation enterprises again. Instead of the MGA staff of 500, we received a renovated department of 400 officials who proceeded to endow the territorial administrations with authority right away. And now the chief of one of them, the Tyumen Administration, is issuing orders depriving local aviation enterprises of their right of independence.

So all of Russia's civil aviation is concentrated in the hands of one department, and ties with our neighbors are being broken under the guise of Russian sovereignty. But cooperation is needed now, you know. For example, while the main international airports and aircraft plants are located in Russia, specialists are trained in Ukraine. For this reason, aviation enterprise managers throughout the CIS have established the Association of Air Transport Operators "from below" in order to unify flying activity voluntarily and finance scientific and technical research jointly. But the Department of Air Transport is frankly fighting against this organization by attempting to transfer its functions to the Interstate Aviation Committee, which was created "from the top" and has 500 more officials. It turns out that we are heading for the same MGA, the 1985 model, only more "inflated." In order to save the sector, aviation enterprise managers have asked Yeltsin for a meeting. However, the petition ended up in the Russian Ministry of Transport, in the department.

Burnayev is not alone. Aside from legal opposition such as the Association of Air Transport Operators, the "underground" Society to Protect Russian Civil Aviation from Plunder has emerged. Its leaders point out that in addition to holding the state position as head of the department, Larin is the general director of the "Avial" commercial airline and they ask: is a combination such as this to air transport's benefit?

Toward the Market—in Single File

The head of the Department of Air Transport, Aleksandr Larin, rejected these charges right away:

"I had to leave 'Avial' when I transferred to work in the government. We have to make the transition from the former MGA, a rigidly centralized state monopoly, to a competitive market system. But for the present I have to be a 'fireman': distribute fuel, aircraft, and spare parts. After all, aviation is the customer of a great many sectors which are caught in the crisis. Aviation enterprises have found themselves operating at a loss with the mass price increases."

[Question] So we are being centralized again?

[Larin] The department will cast off the economic functions at some point and delegate powers to local areas. Now we have to prepare the market, and the enterprises, for independence and establish horizontal and vertical relationships independent of us. We don't have enough people with a grasp of commerce and sufficient skill.

[Question] But you are being charged with destroying the sprouts of independence, and you have declared that aircraft are the property of the department.

[Larin] The airliners remain federation property, although the people in Sverdlovsk and Novosibirsk, for example, have declared their independence. State ownership will have to be rejected, of course. But how are enterprises to be privatized when they are operating completely at a loss?

[Question] How are the department's relations with other CIS [Commonwealth of Independent States] states? Ukraine was offended because the department "privatized" international airports in which Ukraine has a share, and now it is threatening to close air corridors—fly through Finland, they say.

[Larin] It is not worth dramatizing. There will be bilateral talks and mediation by an international organization which all CIS states are joining, the ICAO [International Civil Aviation Organization], and we will also have our own arbitrator. And the fact that Russia's aviation has found itself in a better position is the result of preparation for sovereignty...

...

According to Aleksandr Larin's logic, all of aviation must be put under the heel of a state department for the shift to a civilized market, and everything must be declared state property so that officials from Moscow can manipulate local aviators by teaching them the art of living under competitive conditions. An official, not the market, will decide what kind of private airline deserves to live and what kind does not. It turns out that the department is becoming an autocrat which promises to build democracy for those served with an iron hand and to disperse powers later on. And just what will come of this?

The Monopoly Changes its Mask

On 14 February, the mayor of St. Petersburg sent a letter to the minister of transport asking him to determine why the "Transaero" airline has begun taking passengers to Tel Aviv at rates lower than the St. Petersburg "ASA" airline. It would seem that we should be pleased that normal competition, the struggle for the customer, has begun. Why would Sobchak interfere in a normal process? This is why

At the beginning of February, Aleksandr Pleshakov, the "Transaero" president, had sent Russian Minister of Transport Vitaliy Yefimov the draft of a government decision, in accordance with which a commercial company was named as a regular carrier between Moscow and the capitals of CIS countries, as well as on routes to Tel Aviv. In conformity with the decision, "Transaero" acquires a base at Sheremetyevo and Domodedovo. Russia's Ministry of Economics enters it as a recipient of aircraft and fuel in accordance with the funds. The Central Bank provides credit under preferential conditions. The Ministry of Foreign Affairs includes it in intergovernmental agreements, and the Moscow municipal administration provides a building no less than 3,000 square meters in area.

There is nothing simpler—carry passengers at low prices when the government provides you with everything at preferential rates. In the civilized world, they call this the establishment of a monopoly by one firm with the state's blessing. But perpetual deficit, high prices, and poor quality follow on its heels...

It would be interesting to learn why one of the airlines is receiving such privileges. Perhaps a clue is that Pleshakov, the president of "Transaero," is the son of Mrs. Anodina, the head of the MAK? And in a case such as this, how does she plan to settle the differences with aviators in other CIS countries?

Hayek Against Larin

Friedrich von Hayek, the ideologist of liberalism and Nobel Prize winner, warned that a market economy cannot be built by state coercion. The structure should grow organically in the soil of individual ownership, freedom of enterprise, and contract law. After all, after once acquiring the power to use people and resources, no bureaucratic authority will ever give it up voluntarily. The policy of the Department of Air Transport is not promoting a market, only a new state-capitalist monopoly, and we will be its victims.

What is the alternative? Leave the aviation enterprises to their own resources. Let them be privatized and become shareholding companies. At first they will coordinate their efforts at the CIS level, of course. But later on they will begin to compete and invest funds in building a new infrastructure.

So is it worth fighting over distribution of the Aeroflot inheritance? After all, this will lead to another monopoly—a territorial one. Is it not better to devote our attention to the numerous military and departmental airfields which may be transformed into international airports? In just a radius of 120 kilometers from Moscow there are seven landing areas, as well as the uncompleted Vnukovo-3. Not far from Tver there are Migalovo and Yermolino. Just give "the word," and the "Isenburg Group," Olivetti, the Russian Union of Industrialists and Entrepreneurs, the Soviet-Japanese Trade Association, and air transport operators are prepared to invest funds to develop them.

But unfortunately, Russian aviation is still flying the same faulty course—toward monopoly. Although the tanks are empty and the wings are cracking.

Transport Militia Cracks Down on Cargo Theft

924C0981A Moscow ROSSIYSKAYA GAZETA
in Russian 23 Mar 92 p 4

[Article by Yuri Reshetnik, staff member of the Center for Public Relations of the Russian Federation Ministry of Internal Affairs: "Professional Obligation: A Crime Report"]

[Text] In the course of investigating theft, officers of the Russian Federation transport militia increasingly often detain railroad employees on charges for these crimes. Last year, they comprised about one-half of all those detained for theft of cargo on railroads; this year this figure may be considerably higher. During the last few days, the overwhelming majority of uncovered groups engaged in stealing transport cargo consist of railroad employees.

North-West Railroad militia officers detained at the Leningrad-Moskovskiy station three employees of the said station, who had stolen 18 sound amplification systems valued at 216,000 rubles [R] from the cars of a freight train. Some of the stolen goods have been recovered. At the Leningrad-Finlyandskiy station, they detained another trio of thieves-railroad employees, who had stolen contact wire weighing about three tonnes and valued at R150,000. At the Orekhovo-Zuyevo station of Moscow Oblast, the operational investigative group detained two criminal groups of railroad employees (10 people), who had stolen from cargo containers 495 pairs of men's half-boots, seven Rubin color television sets, 50 rolls of calico, 32 pairs of women's boots, and a number of other goods with a total value of more than R200,000. At Kamenolomnya station, officers of the transport department of internal affairs of the Shakhtnaya station of North-Caucasus Railroad apprehended during the commission of theft three mining workers—residents of Mayskiy settlement—who cut through the container roof and stole 13 boxes with women's knitwear valued at more than R100,000. In addition, various consumers' goods valued at more than R250,000 rubles were found in detainees' secret hiding places. At Tver Oblast's

Bologoye station, three employees of that station have been detained after being exposed as having committed theft from railroad cars totaling R50,000. At Pavletskaya station in Moscow, officers of the transport militia detained a criminal group of five people for theft of 20 empty containers with the total value of more than R50,000. During the search, a Mauser gun with ammunition was found in possession of one of them and confiscated. At Verkhniy Baskunchak station of the Volga Railroad in Astrakhan Oblast, the commission checking on a railroad car that arrived without a braided wire and a seal by route of Azerbaijan Railroad, discovered a shortage of 320 Iranian-made leather coats valued at over R1 million. The cargo was destined for KamaZ [Kama Auto Works]. Operational investigation is underway.

And, finally, the latest report. Officers of the Volga Region Administration of Internal Affairs on Transportation detained a criminal group of 10 people, mainly employees of the Volgograd Oblasts' Filinovo railroad station, who have committed 16 exceptionally large-scale thefts of cargo during last year and the first two and a half months of the current year.

Media Chief Urges State Support for Press

924C1074A Moscow TRUD in Russian 28 Mar 92
pp 1-2

[Interview with V.I. Bragin, chairman of the Russian parliament's Committee for Mass Media, Liaison With Public Organizations and Popular Mass Movements, and Public Opinion Study, by TRUD political commentator Yuriy Lepskiy; place and date not given: "Money for the Press? No, for Subscribers"]

[Text] [Lepskiy] Vyacheslav Ivanovich, let us start with the subject that is currently actively discussed: large monetary subsidies to the press. As is known, your committee decided in favor of it...

[Bragin] And a very hard decision, I might add. It was a heated discussion, and the points of view were quite diametrically opposed on occasion.

[Lepskiy] If it is not a secret, what were the arguments of the opponents of subsidies?

[Bragin] The logic of those against was this: The newspapers have been supporting in every way the advent of market relations and now that the market has intruded on the sphere of newspaper production, they cannot retreat; they have to live by market laws no matter what. Even if some newspapers cease to exist, there is nothing dramatic about it; the strongest, the ones most interesting to the reader, are the ones that will survive...

[Lepskiy] On the surface, it is a convincing argument. I say "on the surface," because wittingly or unwittingly the opponents are substituting notions. It is exactly those most interesting to the reader that may not survive. This hardly looks like a free market: in a healthy economic

environment it is impossible to imagine the bankruptcy of an enterprise, whose product is in mass demand. Nobody forced people to subscribe to TRUD, KOMSOMOLSKAYA PRAVDA, and IZVESTIYA. The demand for these publications is naturally high...

[Bragin] You are right, but let us still explain to the readers what the problem is. Lately, even after this year's subscriptions were in, newsprint prices swiftly increased, as well as the charges for newspaper printing, and delivery and distribution of periodicals. Imagine, prices on paper are as high as 20,000 [currency not specified] per tonne. This is 20 times higher than it had been just recently. Thus, if your publication is in mass demand, you have to pay astronomical amounts for newsprint alone. Where to get this money?

[Lepskiy] For greater clarity, I propose to follow your opponents' suit and shift to a market language; imagine the situation this way: Let us say, tomorrow the cost of producing bread will go up a thousand-fold. The bread-baking industry will face a dilemma: to increase prices a thousand-fold, to go bankrupt, or...

[Bragin] Or ask the government for subsidies. Which, by the way, happens during the period of transition to a market. In other words, the government and the Supreme Soviet are taking steps to socially protect the population from the price tempest.

[Lepskiy] Nevertheless, while government subsidies to producers of basic necessities do not raise objections on anybody's part, the decision on subsidies to produce the "bread of glasnost" for some reason triggers arguments. Why?

[Bragin] I think, a substitution of notions is taking place. No, I am not accusing my opponents of juggling or unscrupulousness. The point is that it is still hard for all of us to grasp the substance of the problem. We are being reproached for giving subsidies to KOMSOMOLSKAYA PRAVDA, TRUD, and other newspapers, but the money is not going to editorial staffs. Neither TRUD nor KOMSOMOLSKAYA PRAVDA will be able to buy computers or pens with this money. In essence, this money is a permanent loan to subscribers of unprofitable publications, first and foremost those with mass circulation. Because in the new circumstances, in order to not go bankrupt, high-circulation newspapers would have to charge 300, 400, or 500 rubles [R] per subscription. Of course, most readers cannot afford it. Anyway, the money our committee proposes to allocate to help the newspapers is essentially a payment for the more expensive annual subscription. Our concern is only the reader's pocketbook, not fattening the newspapers' accounts. At least, the document adopted by the committee says that the press, because of price liberalization and the manifold increase in the cost of paper and printing services, is unable to fulfill its obligations to subscribers, since for many the subscriptions collected at last year's prices will last only two or three months. Our point of view is that the state, responsible for the results

of its economic policy, has no right to watch indifferently how, as a result of this policy, the structure of the Russian press, created over decades, collapses. It is also obvious that without serious government support most publications will not survive this year. Also, we are only talking about subsidies for 1992, for the transition period. When the subscription campaign for 1993 starts, the newspapers will have to talk to their readers in a market language.

[Lepskiy] Still, Vyacheslav Ivanovich, let us take this subject to the end. Speaking to the readers in the language of the market about the 1993 subscriptions means raising subscription prices. Which means, in turn, that a considerable number of subscribers will have to give up the "bread of glasnost," let alone the "cakes." Will these people not find themselves on a starvation ration?

[Bragin] I do not have a ready answer to your question. I can only say that in a normal economy a market is a self-regulating system; sooner or later everything will work out, get settled, will harmonize. Newspapers themselves will probably change. More space will be given to advertising. They will become larger in volume, and more diverse in contents. Also, I think the readers' informational needs will change. Look at the way it had been until recently: A family would subscribe to PRAVDA and KOMMUNIST because someone in the family invariably was a party member; then KOMSOMOLSKAYA PRAVDA or PIONERSKAYA PRAVDA for the children; plus TRUD or IZVESTIYA, and RABOTNITSA for the wife; plus a professional magazine for oneself; and then NOVYY MIR, to keep up with social thought. Now everything is changing, it is possible that in 1993 a family will subscribe to only one newspaper. I think reading halls and libraries will play a greater role. Quite possibly, several families will share subscriptions for some publications, or perhaps, neighbors on the same landing will decide who gets what subscriptions and then share. It is hard for me to guess now how it will work out, but I am certain that it will.

[Lepskiy] Let us return to today, if you do not mind. What kind of specific help can the newspapers—or rather, the readers—count on?

[Bragin] To start with, before this was decided, more than 120 publications came to our committee with the request for financial support during the transition period. On the basis of these requests and real needs of the publications, we asked the Russian parliament for R1,392.5 million for the second quarter of the current year, including R302.4 million for TRUD and R290.1 million for KOMSOMOLSKAYA PRAVDA. I repeat, we are talking about only those publications that have asked us for help. And let me point out once more: The committee's decision does not mean that money will become immediately available. The last word is for the Supreme Soviet and the government of Russia. We have not given any preferences to one or another newspaper's political platforms. We believe that any publication has

a right to exist if it has readers and does not violate the law. On the other hand, first and foremost we tried to help publication for children, teens, and youth, and newspapers and magazines aimed at the reader of limited means. I hope that the motives for our preferences are clear.

[Lepskiy] I suspect that some of my colleagues may not agree with this logic.

[Bragin] I hope you are aware that even the substantial money we propose to allocate for TRUD and KOMSOMOLSKAYA PRAVDA will not cover even one-third of these newspapers' real losses. However, you are right: In comparison with other publications, these are impressive amounts. What was our rationale? First of all, TRUD and KOMSOMOLSKAYA PRAVDA currently have the largest circulation; in other words, these newspapers have the largest historically established audience. Plus, the respect these publications enjoy among the readers, high professional level, the quality of information disseminated by these publications, and their objectivity. Because of that, in our opinion, large-circulation newspapers respected among the people may play a unique role in bringing society together, consolidating it during the phase of its most difficult transformations, at the time of confrontation between emotions, parties, and social groups. I think, large-circulation newspapers also currently help to a large degree to preserve a single informational space for the CIS. You know, when we speak of multimillion audiences of TRUD, KOMSOMOLSKAYA PRAVDA, and IZVESTIYA, in substance we talking to a large degree about the quality of public consciousness of the nation, formed over decades. This is what we basically are dealing with. That is why our decisions must be most carefully thought-through and weighed.

[Lepskiy] I agree. However, some of my colleagues say that a nation that reads one or two newspapers is a sign of a totalitarian society, totalitarian consciousness.

[Bragin] Perhaps it is true to a certain degree. However, to change overnight a nation's type of consciousness, formed over decades, would hardly be a responsible approach. Let everything happen naturally, by the method of evolutionary improvement rather than revolutionary overthrow.

[Lepskiy] One more delicate question. They say that he who pays the piper calls the tune. Will it not be that monetary subsidies from the Supreme Soviet of Russia will deprive the newspapers of just acquired independence?

[Bragin] First, let us make it clear who is paying. The Supreme Soviet only makes appropriations from the budget, which is the taxpayers money. So, in the final count, it is the people who pay. Even if we assume that the parliament is paying, this circumstance still will not make the parliament a cofounder of the newspaper receiving subsidies; thus, parliament members will not have any right to put pressure on these newspapers. And

then, there is a law on the mass media. Nobody can violate it, even a Supreme Soviet member. And finally, for me, a journalist's professional honor and dignity is not an empty sound. Therefore, I would not put our journalists on the same plank as a restaurant music band.

[Lepskiy] Vyacheslav Ivanovich, you mentioned the law on the mass media... Of course, it is good that it exists. Do you not think, however, as a lawmaker, that we (using agricultural terminology) have adopted a law on peasants but forgot to adopt the law on land ownership. The law on mass media had been adopted before we had a law on information as such. Meanwhile, as long as the proprietors of information and their behavior are not regulated by law, as long as our citizens still do not have free access to information, in my opinion, we will remain an uninformed society, a society of departmental secrets, state secrets, and closed archives. Actually, what is the press? It is an instrument with the help of which a person exercises his constitutional right to KNOW.

[Bragin] I readily agree with you; moreover, I can say that our committee is now preparing laws on the freedom of information and protection of information. You know that the law on archives is about to be released. Unquestionably, all these legislative acts should in combination add a new quality to our society, make it informational. Then the mass media will also become qualitatively new.

[Lepskiy] If it is not a secret, what else is in the works in the bowels of your committee?

[Bragin] It is not a secret. We are working on a law on television and radio broadcasting, a law on advertising on radio and television, and a law on cable television. We are developing a kind of a television code of conduct regarding broadcasting of parliamentary sessions of congresses and people's deputies' speeches. A considerable amount of work is devoted to the preparation of a law on political parties. We are working on legislative norms regarding legal guarantees of trade union activities, non-commercial and charitable activities. Now we also have gotten involved in updating the law on rallies, processions, and demonstrations. Add to this continuous sociological research, polls, determining the rating of political figures... Will you say it is too much? I agree; however, legal norms are a paved road into a democratic society. You want to move faster—you have to know how to build this road continuously and of good quality. Plus make sure you do not move in the wrong direction. A foreign visitor sympathized with us once: "Marx," he said, "laid the road to socialism but has not given any thought at all to the return route..."

Laptev on Career, Brezhnev Years, Future of Izvestiya

924C1024A Moscow LITERATURNAYA GAZETA in Russian No 13, 25 Mar 92 p 12

[Interview with Ivan Laptev by ITAR-TASS correspondents T. Zamyatina and I. Ivanova special for LITERATURNAYA GAZETA under the rubric: "A Stance": "Ivan Laptev: 'When I Understood the Sense of the Big Game, I Felt Sick...'"

[Text] *Operator of dock cranes, national bicycling champion, reporter, author of reports for Leonid Brezhnev, editor-in-chief of the newspaper IZVESTIYA, speaker of the Union Chamber of the USSR Supreme Soviet... All of these are the professions of one man—Ivan Laptev. The parabola of his political career has brought Ivan Laptev back to his hearth and home. Correspondents of ITAR-TASS talk with the general director of the IZVESTIYA publishing concern*

[Correspondents] First, of course, we want to congratulate you on the 75th anniversary of your newspaper. We await first and foremost your political assessments of events that are transpiring. What do you think about the increased activeness of the neo-communists?

[I. Laptev] It is unequivocal for me that they do not have the popular support their leaders are declaring. They are constantly declaring, by habit inherited from the CPSU, that the people think this, the people feel that, the people understand, the people support—a whole set of worn-out clichés.

I have the impression that people today shy away from the very word "party." I judge that according to the experience of the Democratic Reform Movement.

The neo-communist parties are an attempt by a certain portion of the apparatus to pass themselves off as the whole system, as has always distinguished parties with a rigid and centralized structure. The party, as it were, has divided into three segments. One segment, one party are those who are standing at the machine tools, plowing the fields and not taking part in the devising of decisions. The second is those who are the complete embodiment of that party, that is, the guiding group. And the main party is the middle link between them, which in the name of the "higher-ups" tells those "below" that this path is the sole correct and sole scientific one. And they say to the "higher-ups" in the name of those "below" that the people think this, the people demand that, the people really want this. I know all of this from the inside. Roughly the same thing is happening today—a group of *apparatchiki*, guided by the idea of saving themselves, begins to declare that it expresses the interests of the people. And no one asks anyone—do you want me to express your interests?

[Correspondents] And how does the internal Russian situation look to you from your IZVESTIYA office? Perhaps the communists have substantial reasons for criticizing the government?

[I. Laptev] It seems to me that the misfortune of our government is that it does not have enough time and manpower to explain the genesis of Russian misfortunes and problems. It has, as it were, *a priori* taken responsibility for them. New and old opponents are trying to make the government pay a bill that was in no way issued to them as a result.

[Correspondents] But doesn't it seem to you that M.S. Gorbachev used that argument so often that it is now awkward to return to it?

[I. Laptev] The fact that many truths are worn out does not mean they have ceased to be true. That is the case here. The government, of course, is making plenty of mistakes. It must also be taken into account that what is done today in our gigantic country is not manifested tomorrow. This enormous time shift has given, and is giving, an opportunity to many politicians and many structures to stay afloat. I will thus in no way take up the defense of our current government. It more than deserves criticism, and very serious criticism. But there is criticism and there is criticism. If the government is cursed because it is doing too little too slowly, I would support that. But when they talk about "deviating from principles" and the "destruction of the country," we have to turn back—that is not constructive.

The whole misfortune is that those who are perhaps more responsible for the current state of the country than the government are parasitizing off the mistakes of the government today.

[Correspondents] Judging by the way you have replied to our questions, you are not yet finished with politics. How do you see your political future?

[I. Laptev] I am still analyzing my political past. And I shudder at some of the moments in it.

[Correspondents] Will you talk candidly about them?

[I. Laptev] Yes, I recall with some inner bitterness the not quite two years that I spent in the Kremlin. The positive moments are connected mostly with interchange with a certain circle of people and with the adoption of a few laws that are not all that needed today, but played a role at the time. I wrote a series of sketches about all of this under the title of "The View From the Kremlin Windows" that was passed on to a Western newspaper. Why wasn't it printed in IZVESTIYA? I have an iron-clad principle never to be printed in my own newspaper.

That was a difficult and gloomy time in my life overall. Sometimes I don't even want to think about it.

Why? I went there feeling in principle that I understood the mechanics of the operations of the apparatus and the process of preparing and making decisions pretty well. And although I felt weak on legal issues, I made that up. I was hoping that I would be able to be included actively and energetically in the process of emergence of a law-governed state and the formation of a civil society. But then, out of a keen journalist's habit, I suddenly felt that some information and human flows were bypassing me, that much was getting away and that I did not understand the mechanics on a number of issues, which mechanics, say, turned the issue one way or another.

Only then did I come to certain conclusions. Why, say, did the entry and exit law, with which I happened to work a great deal and on which, by assignment of the

president, I held several meetings—why did it suddenly start to drown? Contradictory information came from the same people who had been giving different information before that. The ministers who had already been in my office saying that this law needed to be adopted as soon as possible began acting differently.

There were quite a few such instances. I am simply relating one of the most vivid that went on in the arena of glasnost.

And only then did I put a few things together and conclude that this was one of the links in the fight of the CPSU Central Committee against its own General Secretary and President right before his trip to Paris for the CSCE meeting. And if they had been able to sink that law then, the international reputation of Gorbachev would have suffered an enormous blow that would have been reflected in the attitude of the whole world toward the processes that were transpiring here.

When I caught the sense of the big game, I felt somewhat sick and disgusted... In short, I experienced one of the greatest reliefs of my life when I finally freed myself from the position of chairman of the Union Chamber of the Supreme Soviet.

[Correspondents] What number life are you living today? You have had a full-fledged journalist's life, then a deputy's, a political one and today a commercial business one...

[I. Laptev] I started out as a crane operator of dock cranes at the port of Omsk. I had five work specialties. Then I completed the road institute, receiving a Lenin stipend, by the way. I became an engineer. I was even an instructor at that institute. I was simultaneously a cyclist and held the title of champion of the USSR, and set national records.

I had dreamed of being a journalist since childhood, and so, while a sportsman, I entered MGU [Moscow State University] in the evening school of the journalism department. And then I realized that virtually nothing was being taught to anyone in the journalism department. I could not just read booklets for five years. I thus went straight to the newspaper.

I started at the SOVETSKAYA ROSSIYA. I was already a party member. As a worker, they had accepted me back at the highway institute, and that was probably why I ended up in the party life department.

My very first material, printed under the headline "How to Carry Out Agitation?" was noticed—I never did ascertain which—by either Suslov or Kirilenko. One of them called the editor-in-chief and said that that was how to report, that was how to carry out agitation. The editor pushed a button—"Who wrote it?" They were afraid of him. "Well, we have a guy here, a new guy, we'll get rid of him tomorrow. We took him on temporarily." And the editor said, "Sign him up permanently!" A year later I became a special correspondent, and then

received a proposal to move to the journal KOMMUNIST. My theoretical training was insufficient, so I requested the Academy of Social Sciences. While I was studying I wrote three booklets and defended my dissertation. They summoned me from the third year to the propaganda department of the CPSU Central Committee. I gave thirty lectures there, but had the indiscretion to participate in the writing of some paper. And then I couldn't get away from those documents anymore.

[Correspondents] And for whom were you writing the papers?

[I. Laptev] For everybody.

[Correspondents] Starting with Leonid Ilich?

[I. Laptev] I did not start with him, I ended with him. In 1977 I went to PRAVDA as a deputy editor-in-chief.

[Correspondents] You have named many publications at which you "started." Was IZVESTIYA your favorite child?

[I. Laptev] I was more likely the child. IZVESTIYA was more than an interval of life of almost five years. I think I worked one month short of five years as editor-in-chief. If we are to speak of feelings, then that is my home. And it ceased to be that for me only for a short time.

[Correspondents] That was when Yefimov came?

[I. Laptev] Yefimov came at my recommendation. One day I was having an nighttime conversation with Gorbachev about the fact that "there was the opinion" of selecting me for the post of president of the chamber. I said that, first of all, I would not be elected. He answered, "Just don't run out, don't resist and don't refuse to accept." "But what about the newspaper?" was the next question. He said, "So suggest a candidate, who knows the people better than you?" And I proposed Igor Golembiovskiy at once. I even wrote a special note. But those around the president had another opinion—they didn't know him very well on high. Reciprocal candidates came pouring down, completely unacceptable ones. Because it was clear that those people would not even be able to walk into IZVESTIYA.

So we got to Nikolay Yefimov, who was my first deputy and, I want to say bluntly, was a good deputy. But it is fairly said that if you want to find out about somebody, give him a little authority... Things were picking up. Yefimov tried to send his deputy Bodnaruk to England. I was able to intercept that and break it off, since I was an official overseer of the newspaper. Then they suddenly brought the almost made decision of the dispatch of Golembiovskiy to Spain. It was almost becoming a proper scandal, and serious differences of an open nature were arising on these grounds with Chairman of the Supreme Soviet Anatoliy Lukyanov. I was struck that everything was done around me. And no one even called and told me—not Nikolay Ivanovich, not Anatoliy Ivanovich.

Our relations have unfortunately virtually ended since that time. We were forced to go public with our positions on this issue at the Presidium of the Supreme Soviet.

[Correspondents] To the honor of your collective, the pressure did not break it, as had happened at other publications. Nenashev had to leave SOVETSKAYA ROSSIYA at one time, as the paper folded.

[I. Laptev] Immunity to being broken had been built up at IZVESTIYA by its own history. Look at the gallery of portraits of the editors-in-chief. You will see that five or six editors were executed and suffered repressions from 1934 through 1940.

[Correspondents] What future do you foretell for your newspaper?

[I. Laptev] I would very much want, first of all, that this newspaper extend to the territory of the former Soviet Union as before. It goes, praise God, to 150 countries around the world today... But if the former republics of the former Soviet Union drop out of that number, then that would of course be a great loss. It seems to me that the newspaper should be one of the factors that serve unification rather than disintegration.

I see in the future a greater degree of independence for IZVESTIYA. It is such today already in a political regard. I want it to be entirely independent except from conscience, honor, a desire to help people and morality.

Political independence should be supplemented with solid economic foundations, to which I am called to serve as head of the publishing concern.

Disagreements Continue Over Fate of Former USSR Writers' Union

924C1031A Moscow LITERATURNAYA GAZETA in Russian No 13, 25 Mar 92 p 3

[Unattributed article: "The Union: To Be Or Not To Be? Writers Are Arguing About the Future of Their Union"]

[Text] Representatives of the writers' organizations of the former USSR met in Moscow on 17 March to decide what they would do under the new political and economic conditions. The representatives of writers' organizations of the CIS countries who spoke at the meeting stressed the need to convene a congress of writers of the former Union as soon as possible and establish a new organization to take the place of the USSR Writers' Union as the legal heir to all of its property and finances. Most of the people at the meeting supported these proposals. Representatives from Ukraine, however, said they had no intention of joining a general organization, but would be willing to sign an agreement on cooperation with each writers' organization. A special position was taken by the Moscow Writers' Union, which had approved a resolution at an earlier session of its secretariat, pointedly criticizing the leaders of the Associated Writers' Unions (Ye. Yevtushenko and T. Pulatov). Yu.

Chernichenko said that the Muscovites would make the final decision on their participation or nonparticipation in the congress at their general meeting on 27 March.

The overwhelming majority of the people there voted in favor of convening the Ninth Congress of Writers on 16 June, following an audit of the financial activities of the Writers' Union. They also agreed to form an organizing committee to make the arrangements for the congress.

This was followed by the approval of a message to the heads of writers' organizations and representatives of republics party to the conference on preparations for the congress, refuting the criticism of First Secretary T. Pulatov of the executive committee of the Associated Writers' Unions in response to the resolution of the Moscow Writers' Union Secretariat. The actions of Yu. Chernichenko and V. Savelyev, the heads of the Moscow Writers' Union, were described as an attempt to undermine the congress.

The message was signed by T. Kaipbergekov, A. Atabayev, Yu. Bondarev, V. Marchenko, Vl. Sokolov, M. Yefimov, N. Gerasimov, R. Mukhamadiyev, A. Khakimov, A. Abdumannonov, A. Abdulin, N. Strizhkov, N. Kondakova, O. Ibraimov, M. Mirzayev, T. Mirza, T. Abdikov, B. Koyshibayev, A. Ivanchenko, V. Kostrov, and B. Romanov.

This was followed by a meeting of the co-chairmen of the executive committee of the Associated Writers' Unions with the members of the Moscow Writers' Union, where a resolution, signed by A. Ananyev, A. Adamovich, G. Baklanov, V. Bykov, A. Dementyev, F. Iskander, A. Nuykin, A. Pristavkin, Yu. Chernichenko, and M. Shet-rov, on the dismissal of T. Pulatov from the office of first secretary of the executive committee was passed.

A. Nuykin, N. Panchenko, and Yu. Chernichenko were appointed the temporary heads of the Associated Writers' Unions until the congress.

During the hours when this edition was being signed to press, organizing committee Chairman T. Pulatov called a press conference. A press conference with the co-chairmen of the Associated Writers' Unions was also scheduled.

Therefore, a decision was made on the congress, but the writers' disagreements could make its implementation impossible.

LITERATURNAYA GAZETA will report all future developments in the former Writers' Union of the former USSR.

Moscow Conference on Crime, Correctional Policy

924C1076A Moscow ROSSIYSKAYA GAZETA in Russian 28 Mar 92 p 7

[Article by Irena Lobanovskaya: "Life Can Force..."]

[Text] A two-day conference held in Moscow for the leading personnel of the services for correctional affairs

and social rehabilitation of the republic MVD's [ministries of internal affairs] of the Russian Federation and for the GUVD's [main administrations of internal affairs] and UVD's [administrations of internal affairs] for krais and oblasts, revealed the following main consideration: the time for discussions and talks has passed.

The regular course of the conference was disrupted rather rapidly. The chief of the SID and SR of the Murmansk Oblast UVD, Lt. Col. Vladimir Pravdin of the internal service, raised a question regarding the need for professional protection: under the conditions of a reduction in the army and reinforcements in the internal forces in accordance with the residual principle, the control service is constantly understaffed and operates under a colossal workload. And here the deputy minister of internal affairs for Russia, General-Major Petr Mishchenkov of the internal service, recommended that Vladimir Maksimovich take the matter into his own hands and immediately carry out the conversion over to professional protection in Murmansk Oblast.

The problems of the internal service are essentially not new; they are the same ones that disturb anyone today: a shortage of funds, contacts that existed earlier have been suspended and deliveries of materials for work to be performed by convicts have been terminated. Hence we are experiencing an increase in the number of convicts not engaged in production operations.

There is an absolute need for isolating those who break the laws—juveniles from adults—and quite often this is not being observed (in SIZO's and hospitals). Moreover, the professional level of corrective labor establishment [ITU] workers must be raised and they must be both encouraged and punished.

Meanwhile, the crime situation is deteriorating rapidly. And within the prisons as well. In a report delivered by the chief of the Main Administration for the Carrying Out of Punishments of the Russian MVD, Colonel Yuriy Kalinin of the internal service, some rather sad figures were cited—prison escapes, starvation, strikes, hostage seizures and killing of fellow workers. And we ourselves are largely to blame for this, since we created the conditions in which it is practically impossible to retrain an individual.

Six months following their court trials, prisoners are deprived of their visas and housing and they no longer can return home to their friends and relatives. Those who earned pensions and benefits, lose them. Does this not explain why 80-90 percent of those who serve their sentences end up behind bars once again? One out of every two returns to prison with a loss of 70-80 percent of his capacity for work and one out of every three is an invalid of the 1st or 2d group.

During the conference, Petr Mishchenkov repeatedly emphasized the importance of analyzing the situation and the critical attitude towards it and this made it possible to truly bring about a change. The speakers discussed with alarm the many incidents involving abuse

of the status of ITU workers, theft, squandering of property, bribes, intolerable rudeness directed at inmates and, conversely, incidents of direct connivance and direct contacts with wrongdoers.

Many bitter words were uttered during the conference regarding the status of the internal service workers themselves. Low wages, a shortage of housing, kindergartens, heavy workloads associated with a personnel shortage and a lack of professional training—all of this forces us to refer to the internal service workers as people who are serving time without convictions.

Today the government is examining questions concerned with providing the ITU's with resources and releasing these institutions from having to pay taxes, allocating funds and covering the financial deficit and developing commercial and entrepreneurial activities. The problem of converting these workers over to budgetary financing has already been resolved and the task of converting over the colonists is presently being solved.

The commander of the internal forces, General-Colonel Aleksandr Savki, emphasized in his speech that we cannot delay in carrying out the decisions, since life may simply force us to adopt them quickly.

The former prisoners themselves are searching for a solution. In 1988, based upon their initiative, the first legal-protection socio-religious commune "Bratstvo" imeni Doctor Gavze, was created in Russia. Its task and goal—to save man's soul.

Rise in Death Rate, Child Diseases Noted

92440872A Moscow IZVESTIYA in Russian 31 Mar 92 Morning Edition p 2

[Article by IZVESTIYA correspondent Irina Demchenko: "For the First Time Since the War the Death Rate in Russia Exceeds the Birth Rate"]

[Text] Over the past five years, according to the data of the Russian Federation State Committee for Statistics, the birth rate in Russia has declined by 30 percent.

Last November, for the first time since the Great Patriotic War, the number of deaths exceeded the number of births in the republic by 4,000. In December, deaths exceeded births by 12,000. In January 1992 there were 167,000 deaths and 147,300 births. In February and March the gap widened even further. The Russian Federation State Committee for Statistics is recording a reduction in the number of inhabitants as the result of so-called "natural loss" in 1992 on 43 territories in Russia where more than two-thirds of the population resides.

The situation is especially grave in large and environmentally troubled cities. The number of infant diseases associated with poor diet has increased in the first year of life. The most widespread are the same ones that were characteristic of the wartime and postwar generations:

severe rickets, diathesis and other allergic dermatoses, hypotrophy, gastrointestinal disorders, and obesity. Even according to official statistics, which ignore many symptoms that were previously classified as diseases, only about one-third of all newborns remain in good health by the age of one year. Physicians note that parents have no time to visit clinics and neither the energy nor the money for the treatment of their children.

S. Reshetnikov, an executive of the Infant children's-services enterprise that recently opened at Moscow Pediatric Polyclinic No. 111, relates that in the course of a month and a half his firm, which provides, in part, free calculations of the proper daily diet for each specific newborn on the basis of the child's age and weight and the amount of the mother's milk, was visited by about 150 parents, whereas it is equipped to handle 600 a day. Even after the enterprise, as an act of charity, started providing its clients with infant food, which is scarce in Moscow, free of charge, the number of visitors barely increased.

"We guarantee," says S. Reshetnikov, "that if the parents follow our recommendations and come to us regularly, once a month, to have a new menu drawn up for their infants, in 90 out of 100 cases an infant, including a premature one, will have no problems or diseases caused by improper diet. However, we have great doubts that it is possible right now to attract parents' attention with appeals to take care of their child's health, even if it does not cost any money. If there were space and opportunity, we probably ought to open up a meat department or commercial store next door, so people would drop in to see us on the way. People are so absorbed in their problems that they do not have time for anything. They simply give up on their children."

Statistical data indicate that, starting in 1989, the mortality rate among newborns in Russia stopped declining. In January 1992 the mortality rate among infants up to one year of age was 9 percent higher than in January 1991. According to the forecast of the Russian Federation State Committee for Statistics, the birth rate will decline another 9 to 10 percent in 1992. This evidently absolutely natural reaction by society to the socioeconomic and political crisis may have more serious consequences than the hypothetical threat of civil war.

REGIONAL AFFAIRS

Moscow City Government Examines Land, Taxation Issues

924C1068A Moscow NEZAVISIMAYA GAZETA
in Russian 21 Mar 92 p 6

[Article by I. Rodin; place and date not given: "The Capital Government Wants to Create a Tax Policy: This Week the Ministers Argued About Land and How To Levy Taxes"]

[Text]

The Mayor's Office

Despite everything, the Moscow government devoted 17 March to a discussion of two fundamental problems: land legislation and taxes. The chairman of the Moscow Land Committee, Viktor Astsaturov, informed those attending about the high level of competence of his subordinates and about the complexities in the activities of his department due to the confusion in of the legal base. The latter is costing the city budget 1-10 billion rubles [R]—all the current claims for Moscow land could yield that sum. Viktor Astsaturov also submitted a temporary statute on delimiting authorities in land use between the capital government and its administrative and municipal okrugs. His jealous rival, the head of Mosarkhitektura, Leonid Vavakin, declared that the appearance of land committees and land reform committees in the cities is a misunderstanding that arose as a result again of the failure to elaborate a normative base. According to him, the city does not have land in the proper sense of the word, but there is something on and under the land, and consequently, these issues of city-building and land should be the business of Mosarkhitektura.

The discussion was summed up by Yuriy Luzhkov, who said what this final program needed to include. First, it is essential to delimit the authorities of the levels of executive power, giving the administrative okrug, within the limits of its competence, exclusive right to use of the land—and "without any juridical or organizational whims." Land must be left outside of town—highways and lots connected with underground installations—so-called eco-saving zones. The municipal okrugs must also be given the right to participate in land policy, not all at once but gradually, when each such territorial unit proves its responsible attitude toward city land. Land plots must be divided into two types: the first shall include territories already occupied, the second, unoccupied territories. The land should be offered to city structures on a noncompetitive basis and to any outside organizations via auctions and the like, but anonymously: regardless of their specific names and functions. Lease payments for land must be divided "50-50": half for the city budget and half for the extrabudgetary funds of the administrative okrugs. The issue of the sale of land in the capital to foreigners is still not on its feet. But the sale of city land plots to our own Russian businessman is a "fine thing."

Moving on to a discussion of the second item on the agenda, those gathered heard the quick-pattered speech of Dmitriy Chernik, the head of the Moscow Tax Inspectorate. He talked (and supported his story with figures) about the work of his service last year and in the beginning of this, reported on difficulties and dangers in connection with tax inspectors, and pronounced anathema on the decree on freedom of trade, which has created many obstacles for the fiscal apparatus: for example, it created an enormous number of entrepreneurs from whom it is virtually impossible to extract any

taxes. Dmitriy Chernik sees one way to resist this trend in having the banks report on any new accounts opened.

Deputy Premier Konstantin Buravlev declared that it is time to create a formidable tax policy, since the inspectorate right now is an "object of polite shoulder slapping" for experienced Russian entrepreneurs: refusal to pay high taxes is already becoming almost a national sport. Aleksandr Ioffe, an advisor to the vice-mayor, warned that local taxes in addition to high federal taxes is a very dangerous instrument, and tax benefits must be offered not to specific enterprises but to specific types of enterprise activity. Closing the discussion traditionally, Yuriy Luzhkov rejected the entire packet of proposals from the tax service and announced that according to several appraisals, about \$3 billion in Moscow circulation is not being taxed. The city government could quickly be left without money—and absolutely no one needs a government like that.

Moscow Tax Inspectorate Chief on Effect of New Laws

924C 1068B Moscow MOSKOVSKAYA PRAVDA
in Russian 18 Mar 92 pp 1,2

[Interview with D. Chernik, head of Moscow Tax Inspectorate, by T. Pomelova, place and date not given: "Is the Law Going To Replenish the Budget?"]

[Text] If your conversation with an entrepreneur suddenly falls flat, do not despair—start talking about taxes and your companion's long monologue is assured. For some time this topic, like the weather, has been capable of saving any conversation. By the way, that is not hard to explain: tax policy in our country is as changeable as a spring sky.

What awaits our taxpayers in the near future—which affects not only businessmen, by the way, but each and every one of us—is our topic for the chief of the Moscow Tax Inspectorate, D. Chernik.

[MOSKOVSKAYA PRAVDA] Dmitriy Georgiyevich, the new law just passed "On the tax on the profit of enterprises and organizations" is being amiably censured by everyone involved one way or another in production or commerce, independent of the form of property. Aren't the current tax rates too high? Might they not in fact stifle entrepreneurship?

[Chernik] Above all I want to note that taxes are the basis of life in any civilized society. Only under communism did they count on getting along without them. Every normal state is forced to levy a part of what enterprises and citizens earn to channel direct those funds into common needs: health care, education, social assistance, culture.

There are always going to be taxes. What the rates and benefits are is another matter: are they stimulating or hampering entrepreneurship?

I want to cite a rather interesting comparison: net tax on profit in Russia is lower than in the leading Western countries. In the United States, for example, the single tax on corporation income is 34 percent. To this you have to add state taxes, which vary from 4 to 7.5 percent. This means that altogether up to 40 percent of profit can be levied on a corporation.

In Germany the analogous tax depends on the firm's income and varies from 33 to 50 percent, in Italy it also comes to about 50 percent. Here the rate for this tax is 32 percent for those who produce output and 45 percent for those who do not produce anything and are involved in commerce, that is, who pump money just for themselves.

If we were to compare Russia with the economically developed countries for other types of taxes—property tax on juridical persons or income tax—the advantage again is on our side. The only thing that drops out of this "happy" list is the value-added tax. In short, there are no grounds for talking about "stifling" entrepreneurship.

[MOSKOVSKAYA PRAVDA] After all, though, in comparing, it is no accident that you emphasized that these are the taxes in the economically developed countries. Here entrepreneurship is just getting started, and the beginnings of the market economy are too weak. Is it correct in general to compare Russia and the United States at the current stage? Can we be certain that taxes which are not burdensome on the scale of a flourishing Western country might not turn out to be too much for the still weak shoulders of our native businessman?

[Chernik] What generally undermines entrepreneurship? And impedes investments of foreign capital in our country? And hinders the development of joint ventures? It is not so much high tax rates as the instability of the tax system itself.

Before opening a business, the normal businessman wants to know what his relations with the state are: what part of his profit he will have to give to the treasury and how much money will be left for him. Only then does he start constructing plans to develop production and maybe stuff his pockets and "lie low"—until it's profitable for him again.

Nothing is definite here: in 1991 alone tax rates went from 45 to 38 and from 35 to 32 percent. Privileges were given and taken away in turn first from cooperative workers, then from joint enterprises, then from small enterprises, then from private traders. What kind of production is this! All you have to do is change your sign: become a private trader instead of a cooperative worker, then immediately buy an imported photocopier and call yourself a joint venture.

Right now we have rules of the game: whether they're good or bad is another discussion. But they introduce a measure of stability, and for that reason they are extremely necessary. I believe that a stable system, even with faults, is better than one that is always improving and changing.

[MOSKOVSKAYA PRAVDA] So you recommend reconciling ourselves, suffering any law, even one known to be awful, without trying to change it?

[Chernik] I don't believe that the laws don't need changing. It just doesn't have to be done every month. By the way, to convince ourselves that the tax system is incomplete, it first needs at a minimum to be tried. In general, tax legislation in most countries is left to function without alteration for five to seven years.

[MOSKOVSKAYA PRAVDA] What is your opinion of the fact that many entrepreneurs do not conceal their ability to get around the tax law, since it disposes one to do so? They say there's even a manuscript brochure, something like "How To Conceal Income Legally," which, by the way, financiers and tax inspectors both know almost by heart.

[Chernik] Why in manuscript? I've seen a printed one for just R25 in the next underpass. Nor do I find anything strange in this: for the millennia that legislation as such has been in existence, there hasn't been a single law that could not be gotten around and wasn't. It's just a matter of the scale of the "skirting maneuvers."

Russia's tax system does not have enough experience. After all, we are working first of all to acquire this experience, and secondly, basing ourselves on world practice and the current economic situation in our country, to make tax evasion impossible.

We can already boast of a few successes actually: last year the budget received an additional R1.228 billion. I would emphasize: this is only what our audits turned up. On the other hand, R139.9 million was returned to those taxpayers who overpaid the treasury.

[MOSKOVSKAYA PRAVDA] Right now the opinion is widespread that major firms and enterprises are quickly breaking up, splitting up, creating various branches in order in this way to avoid the watchful eye of the tax inspector, as if to say they just don't have the capability to check out every subdivision thoroughly. Has this tendency really been noted, and is the inspectorate army large enough to deal with all taxpayers?

[Chernik] If we're talking about organizations, enterprises, and institutions—those which submit an economic statement, then they are all checked, and very carefully, regardless of whether they're large or small. Although, of course, we pay ZIL more attention than, say, a cake-baking cooperative.

Are there some we don't get to? This would probably involve only representatives of the smallest businesses: street vendors, disabled grannies selling homemade pies. We are not likely to count the income of "businessmen" like that.

Just try to count everyone! And compare that number with the number of tax inspectors. We could probably increase the audit staff to proportions comparable to the number of people being checked. But would that make

good economic sense? Would it pay for maintaining an enormous tax army? Hardly.

Moreover, the experience of the tax services in Germany and the United States confirm the grounds for this approach, which calls for selective audits: not every year and not for everyone in order, but the Ford audit differs substantially from the audit, say, of a haberdashery stand.

We also have our own methods, which allow us to look specifically at those of most interest to the tax inspectorate.

[MOSKOVSKAYA PRAVDA] Who are they, if, of course, it is not a professional secret?

[Chernik] I'm not going to list them, I'll just cite one example that I see as very curious. The widely known, widely advertised MMM firm paid R60,000 last year in taxes. This sum is incomparable with its total income. When we saw it, we were very surprised and started checking, after closing their accounts.

It turned out we were just in time: soon after, a group of children came right to the inspectorate to see us, and they started telling us how the nice uncles and aunts from MMM had been involved in charity, helping out the kiddies, for which they were very grateful. Their accounts attested to the opposite.

[MOSKOVSKAYA PRAVDA] Are there a lot of people in general trying to avoid taxes by feigning frenzied charitable activity? After all, as we know, the government's decision to strictly limit all possible tax advantages and benefits does not apply to those who help the more needy of our citizens, does it?

There are quite a few people interested in diving into the quiet backwater of public funds. In Moscow 147 enterprises and cooperatives last year quickly included as founders various funds, of which in the capital there are ten in all and whose enterprises allocate to the budget only 0.2-5 percent of their profit—less than one tenth of the proper sum. So that the divers, who are not concerned in the slightest about the development of production or charity, began to get rich.

This does not mean, however, that those who truly help people shouldn't have tax advantages. Their activities simply have to be objectively evaluated.

By the way, the problem of advantages in general is quite complicated. Right now we are hearing the question, Isn't the liquidation of tax easements going to hamper economic reform? I believe that not only will it not hamper the economy; it will stimulate it. After all, the total number of advantages have decreased, but they have become purposeful and have been extended to small business enterprises, the development of which is a necessary condition for the demonopolization of the economy, as well as to that part of the profit of all remaining enterprises that goes into the development of production and the improvement of technology.

[MOSKOVSKAYA PRAVDA] Dmitriy Georgiyevich, why is the list of organizations subject to value-added tax advantages so limited? It includes only public eating enterprises and budgetary service institutions: hospitals, schools, VUZes [higher educational institutions]. This tax is very much felt by the pocket of every consumer.

[Chernik] Indeed, this is an indirect tax on consumption, and it bears a clearly fiscal nature. The declaration that we are hearing so much of on the radio and television that the value-added tax rests wholly on the shoulders of the enterprise was absurd from the very beginning, just as the assertion that someone beside the consumer is paying the tax is senseless.

This tax has provoked so many polemics and discussions precisely because it hits each of us in the pocket too obviously. This tax is extremely high, and this speaks to the fact that the government above all is trying to balance the unraveling budget. Despite the unpopularity of this measure, it is an essential step given the difficult financial position in which Russia finds itself.

With time, the rate of this tax will probably be lowered and various advantages will appear, as in the United States, for instance, where food sold in stores is not taxed. But how soon this will reach us is hard to judge.

In conclusion, I want to say that in determining tax policy, the state has to be concerned not only with increasing rates but also with broadening the tax base, that is, with developing entrepreneurship and commerce. Here the extensive factor will prove an unquestionable good.

Former Autonomous Republics' Political, Economic Stance Evaluated

924C1016A Moscow MOSCOW NEWS in English
 No 11, 15-22 Mar 92 p 5

[Article by Olga Glezer: "You May Bargain Here"]

[Text] The former autonomous republics where the indigenous population is a minority have begun pushing for secession in the past month. Karelia, Komi, Saha (Yakutia) and Bashkortostan have taken steps to realize sovereignty declared earlier.

In the past only special committees bent on the revival of indigenous peoples demanded full independence. With the start of economic reform and submission of the draft constitution of the Russian Federation for discussion at the April Congress of People's Deputies, local parliaments have warmed up to the idea.

In the Komi Republic, where Komi people make up 23 percent of the population, solution to the problem of national revival is sought through recognition of indigenous people's institutions: national committees and assemblies are proposed to be included in the power structures to regulate government decisions concerning the interests of the indigenous peoples.

In Karelia, where the Karelians make up 10 percent of the population, a law was adopted "On the legal status of the national region..." which stipulates the formation of administrative and territorial units for the indigenous peoples, namely the Karelians, Vepses and Finns. Apart from cultural revival it aims at political benefits. National units have the right to form smaller constituencies, the number of resident voters being one-third of the norm. Thanks to that national minorities will be better represented in the Republic's Supreme Soviet.

Among demands for political sovereignty the main ones are for the supremacy of the Republics' laws over the federal law (including the constitution), and the conclusion of treaties with Russia. In this respect the Saha Republic (Yakutia) has gone further than most: according to the Republic's new constitution, relations with Russia shall be built on the basis of international law. Also in Bashkortostan the laws of the Russian Federation, specifically those on the reorganization of collective and state farms, have been repealed.

However, the main issue is economic sovereignty, including the ownership of land, mineral and natural resources, independent budgets and foreign trade. The Resolution passed by Russia's Supreme Soviet in December on the division of state-owned property does not satisfy many republics. The Centre has already taken steps to resolve the crisis. By government decree Yakutia's rights to foreign trade have been extended; more territories in Karelia have been classified part of "the extreme north" with appropriate benefits; the Russian President has issued a decree: "On urgent measures to stabilize the economy and develop the social sphere in the Komi Republic." The latter decree stipulates that all activities involving the exploitation of local mineral resources shall be coordinated with the Komi government, and that 75 percent of the hard currency proceeds due to the Russian Federation hard currency reserve in 1992 shall remain in the Republic's possession.

Of course the republics' policies could be interpreted as separatist. But Karelia with its powerful forestry and paper industry, Komi and Saha (Yakutia) with their vast natural resources and the highly industrialized Bashkortostan also have enough sober-minded politicians to prevent self-determination turning into secession. Negotiations are under way with the Russian Federation parliament and the President. Instead of usurping rights the republics are intent on being lawfully granted them by the Centre. Sovereignization for them appears to be a bargaining chip rather than an end in itself.

Provided the presidential decree on the Komi Republic is not just an episode, one can suppose that the President is busy seeking a new federative model. Russia's future will very much depend on how effective her relations with each of the federation member republics prove to be. But by strengthening national factions in local parliaments and leaving the greater part of local revenue to

local governments to dispose of, the central Russian government is making an important step towards unity based on federalism.

Presumably, by developing a new model for relations with constituent republics Russia will be able to resolve the Tatarstan and Chechen crises—provided the latter understand, from concrete examples, that bargaining with the Centre is more profitable than posturing.

Yeltsin Voices Concern on Aftermath of Tatarstan Referendum

924C1056A Moscow NEZAVISIMAYA GAZETA
in Russian 20 Mar 92 p 1

[NEZAVISIMAYA GAZETA report: "Yeltsin Address to the Tatarstan Supreme Soviet"]

[Text] Yesterday the press service of Boris Yeltsin distributed the text of the Russian Federation president's address to the Tatarstan Republic Supreme Soviet in which he expresses concern that "the results of the referendum, regardless of outcome, may be used by nationalist forces to stir up interethnic enmity" which could "lead to a splitting of the people of Tatarstan and the exacerbation of interethnic relations in other regions of Russia."

Yeltsin stresses that "unilaterally conducting a referendum which presents a question regarding the territorial and state-legal integrity of the Russian Federation...is intolerable from the point of view of international law and the ethics of state-legal interrelations."

The Russian Federation president proposes that the Tatarstan Supreme Soviet decide which would conform to the resolution of the Constitutional Court and to the Constitution of the Russian Federation and the Republic of Tatarstan.

At a conference which took place yesterday at the White House with participation of the head of the Tatar parliament, the federative and republic leadership managed to reach agreement to the effect that the results of the referendum would be recognized if the resolution of the Constitutional Court is implemented and Tatar legislation brought into conformance with the laws of the Russian Federation. Experts are not convinced, however, that the Tatar parliament will react positively to the compromise reached.

Buryatia's Deputies Sent as Observers to Conference in Siberia

924C1056B Moscow ROSSIYSKAYA GAZETA
in Russian 26 Mar 92 p 1

[Report by unidentified correspondent: "Ulan-Ude Views Krasnoyarsk Skeptically"]

[Text] Only three of the people's elected officials of Buryat SSR expressed the desire to travel to the Siberian Congress of People's Deputies in Krasnoyarsk. In this

regard, none of them was endowed with representational authority—they were relegated the role of observers. The overwhelming majority of the Buryat body of deputies looks with skepticism upon this forum.

Irkutiya Declares Bankruptcy, Asks Central Bank for Credit

924C1056C Moscow ROSSIYSKAYA GAZETA
in Russian 26 Mar 92 p 1

[Report by unidentified correspondent: "Asking for 20 Billion"]

[Text] A session of the Irkutsk Oblast Soviet has declared the region bankrupt and requested credits from the Supreme Soviet and Central Bank of Russia in the amount of almost 20 billion rubles.

A lack of their own circulating assets, according to the assessment of the deputies, has paralyzed trade, material-technical supply, foreign economic ties, and barter transactions. It was stated that the oblast soviet does not share the finance and credit policy being carried out by the Russian Federation Government.

A group of people's deputies and leaders of major industrial enterprises was sent to Moscow.

Government Property Auction in Nizhniy Novgorod Reported

924C1049A Moscow ROSSIYSKAYA GAZETA
in Russian 26 Mar 92 p 4

[Report by ROSSIYSKAYA GAZETA staff correspondent Andrey Shishov: "The Trade Sector Revolted and Was Put on the Auction Block"]

[Text] Nizhniy Novgorod—On 21 March 1992 in Nizhniy Novgorod, the first provincial auction in Russia to transfer state property ownership to the citizens took place.

Experts from International Financial Corporation have worked out a detailed plan of total privatization in this old Volga region. The main tools will be commercial bids and auctions. Xavier Jordon, head of the international specialists' group, refuted the growing contention that the West intends to help Russia only to the degree that will help to turn it into a good colony for the latter.

"Nizhniy Novgorod citizens support us; we are convinced that our policy is correct and will implement it without deviation," emphasized Dmitriy Bednyakov, the mayor of the city.

However, two days before the beginning of the auction, he already had a hard time getting to his office in the Nizhniy Novgorod Kremlin, having to make his way through tight ranks of trade sector employees revolting against the "inhumane privatization."

"Bednyakov insulted us on local television by saying that we all are decked out in furs and diamonds," complained Galina Naumova, director of one of the Sormovo stores.

"If I insulted someone, there are courts for that," replied the mayor.

"We, too, had antiprivatization strikes," said Jaroslaw Zyznarski, vice president of a Polish consulting company, one of whose managers had been Prime Minister Jan Krzysztof Bielecki. "This came from ignorance. That is despite the fact that the spirit of private property has always been alive among the Poles. So what can one say about your people who have never encountered it. We understand them. That is why we agreed to help the Jordon group, with whom we have been working together for a long time."

The organizers were accepting applications from the those wishing to participate until the very last moment; thus, over 40 juridical and physical persons took part in the auction. They were offered 10 lots—that is, stores—two of which could be purchased with full ownership rights, and the rest leased. The total starting price amounted to over 300,000 rubles [R]. After auctioning off the first lot, the excitement subsided somewhat, and the next three buyers paid a little more than R400,000 all together. Then the game picked up again. A consumer goods store fetched R650,000, with the starting price of R14,700. The auction record was set by the buyer who paid R3 million for a lease on a food store, having raised its price by a factor of almost 300.

"The situation shows that it was easier to expropriate than it is to give back," remarked Yevgeniy Sabashnikov, deputy chairman of the city soviet, during the intermission. "Although the first step has been made, and the auction is proceeding briskly. This cannot be considered an optimal way of property transfer. Experience should suggest other, simpler ways."

When the turn of the ninth lot came, X. Jordon's team became anxious. The right to lease was being claimed by the labor collective of a haberdashery, represented by its director Nina Makina. She won with a R260,000 bid. This was an answer in kind to the pickets in respect to the ability of labor collectives to buy out property.

"Where did you get this much money while your colleagues are complaining that they are poor as parish rats?" I asked Makina.

"We earned it. There are two of us in the store: a sales clerk and myself. Now we will also have an accountant. In the beginning of the year, we signed a direct delivery contract, received the goods, and sold them. I was ready to pay half a million if needed."

Now Makina's husband and children will start helping her. Under the terms of the auction, the store collective receives a 30-percent discount and the opportunity to pay the remaining amount in installments. Thus, the first installment will be a little more than R50,000.

"Today's auction is the preparation for a large-scale privatization," concluded Aleksandr Kosarikov, chairman of the city soviet. "Possibly, we will transfer a number of stores to enterprises and agricultural companies so that in the future they could set up mixed production and considerably lower prices on output."

The city budget will receive over R7 million. This is much more than we had counted on, admitted Valeriy Remizov, chairman of the city property fund.

More heated "battles" will take place on 29 March and 4 April, when lots for objects located downtown will go on the block.

Sociopolitical Options for Ethnic Germans Reviewed

924C1031B Moscow *LITERATURNAYA GAZETA*
in Russian No 13, 25 Mar 92 p 9

[Article by Leonid Pochivalov: "Will We Meet in a Foreign Land? The Price of Three Minutes of the President's Speech"]

[Text] When I was standing in the lobby, waiting for the Congress of Soviet Germans to start, I heard someone say: "This is our last meeting. There is no reason to hold any more congresses." A German writer I knew said to me with chagrin: "We have come here to say our last goodbyes to each other in our homeland. From now on, we will meet in a foreign land."

The people who came to the meeting were not in a cheerful mood. Having to leave one's homeland is a real tragedy. Many of them do not even know what to call themselves: "Former Soviet Germans"? "Russian Germans"? "Kirghiz Germans"? "CIS Germans"? The people I saw here were a persecuted group, who were being unceremoniously thrown out of their homeland by the state and the society. Is our government really democratic?

They can only go in one direction: across the border! I have seen them in West Germany. Of course, they have better food and more freedom there, but the people there are not quick to accept them as their own fellow Germans. They are Russians, and that is that. They are German by origin, but few of them speak German. Their way of thinking and their habits are our own. Even now, at this congress, all of the speeches were in Russian. These are "our people"!

Of all the ethnic minorities in our country, this even-tempered, law-abiding, and hard-working group has probably suffered the most persecution and harassment.

They still have no claim to their ancient land, where their ancestors are buried, and they have had no opportunity to protect and develop their own culture and preserve their own language. Academician B. Raushenbakh, one of the respected leaders of the ethnic Germans' movement, told me some shocking facts. There is not one

German school in the whole former USSR. The Soviet Germans are one of the least-educated minorities. Only 3 percent have had a chance to get a higher education (for the sake of comparison, the figure among the Jews is around 50 percent, and the figure for the Russians is 13 percent). These people, representing the largest of the ethnic groups repressed by Stalin, are still being subjected to discrimination—psychological, cultural, and political. What is more, they are now the puppets in a strange and somewhat unscrupulous political game. Unfortunately, the president of Russia has been drawn into this game.

It appears that the Russian Government has no precise policy on ethnic issues. The president sometimes has no trouble renouncing his own recent emphatic statements. During his visit to Alma-Ata, for example, he said only death could keep him from attending the upcoming Congress of the Soviet Germans in Moscow. He did not come. Judging by all indications, however, he should have come to this last congress, or he should at least have sent a representative. He could not find the time to address a whole ethnic group that had been waiting so long to hear what the president had to say! He told Chancellor Kohl one thing in Bonn but has said something completely different here. It is not easy for Yeltsin's supporters to accept this style of presidential behavior. The Soviet Germans never won any protection of their rights from Gorbachev. They relied on Yeltsin, but he also failed to live up to their expectations. Now they cannot trust him either, especially after the ridiculous, clearly populist-oriented statement he made in Saratov.

This unfortunate statement has already been reported in all of the newspapers, including ours. With "Bolshevik frankness," the president let the Germans know that they would not recover their earlier republic, and he said this in an arrogant tone that offended the Germans.

It is not surprising that there were so many harsh and angry comments about the speech at this congress. These three minutes of the president's televised speech put an end to hopes that had been cherished for half a century. The Soviet Germans are tired of politics. They are tired of fighting for their survival and are now more concerned about the long journey ahead. L. Kravchuk took advantage of his Russian colleague's obvious blunder to invite the Germans to occupy good land in Ukraine. They were also invited by Kirghiziya to move to the fertile Chuysk Valley. People at the congress were intrigued by these offers, but they cannot solve the problem. They need their own autonomous region in the CIS. They need statehood. The Soviet Germans want the same rights as other national groups in our country. They are not demanding better land. They are demanding a chance to preserve their identity as a national group. Without an autonomous state, they will not be able to do this. The center of this state should be on the Volga, of course, where the Russian Germans lived for centuries. This is what they want. Furthermore, they do not want to make anyone in their ancient territory feel crowded.

They believe there is always room for decent, hard-working people. As it turns out, however, the Volga region does not need people of this kind.

Many of the speakers at the congress named the people responsible for the conflict. These are the people who are afraid of losing their power and secure positions in the Volga region, and not the common people, who have obviously been confused and frightened by the former party bureaucrats. They deliberately misled even the president of Russia.

A new presidential ukase "On Immediate Measures for the Rehabilitation of the Russian Germans" was published recently. It mentioned the "gradual restoration of the statehood of the Russian Germans as part of the Russian Federation." Does this not sound as if justice had prevailed? Speakers at the congress, however, cited logical arguments to prove that this ukase also fails to address the main issue: the immediate restoration of statehood. The vague wording of this document evoked a new surge of political speculation and turmoil.

The Germans do not want to spend decades again waiting for "gradual restoration." This phrase was chosen to soothe the president's conscience, and that is all it can do. Almost all of the Germans are getting ready to leave. They do not trust Yeltsin or anyone else in the CIS. This was evident from the whole atmosphere at the congress. What is more, they no longer need the neglected and poverty-ridden Volga region, which is teeming with malice and hatred.

Now that they have been denied the legal right to live in their own homeland, they are getting ready to move to the land of their forefathers, because they have nowhere else to go. Germany is willing to accept them, but also on a gradual basis—100,000 a year. In contrast to the Russian leadership's statements, however, Bonn's guarantees are completely trustworthy. We will lose 6 million of our fellow-countrymen, counting mixed marriages. If we also count relatives, we will lose twice as many.

Is the emigration of a whole nationality realistic? Germany is willing to accept the emigrants, but it has many problems of its own. A representative from Bonn who addressed the congress asked the Soviet Germans to appreciate its present circumstances. It would be much more convenient for Germany if the ethnic Germans could stay where they are, and Germany is prepared to help them in every way possible. It would be even more convenient for Russia, but it does not want to give them any real help.

The restoration of autonomy is no longer the Germans' problem. Academician B. Raushenbakh told me, but the Russians' problem. We will lose a great deal when the Germans leave. We will lose the kind of hard-working, highly disciplined, and well-trained rural proprietors we need so much today. We will also lose colossal amounts of money. Their departure has already cost us 15 billion rubles (in old prices), and we will have to spend another 10 billion in the near future. Is Russia really that rich?

This is what three minutes of the Russian president's speech in Saratov could cause.

POLITICAL AFFAIRS

Kravchuk Presidency Criticized

92UN1060B Kiev NEZAVISIMOST in Russian
20 Mar 92 p 3

[Article by I. Pogorelova: "Bravo! Or the So-Called 100 Days"]

[Text] Any serious calculation of the successes and failures of our president's first 100 days in office, using the world standards of the traditional democracies, would be tantamount to calling the declarative democracy in Ukraine a reality. Like the great chess players who recently played a lengthy match for the world championship, L.M. Kravchuk started working on his game long before 1 December. He won his first point by handling the whole so-called 100 days like a political chess game, causing everyone to forget that in his youth, by his own admission, his favorite pastimes were gymnastics and boxing.

As an expert in the intricacies of playing the game, L. Kravchuk had completely mastered the situation in Ukraine by the time of his anniversary. Today the issue of the political spectrum and the multi-party system have virtually lost their status as topics of debate. By demoralizing the former Communists, taking up the ideas of the National Democrats, and forging a closer relationship between the executive branch and the liberal and social reformers, the president effectively eliminated the kind of situation in which "the courtiers play king." Kravchuk "plays king" himself, and Kravchuk also plays the role of Ukraine on the world stage—and not only the world stage....

Inside the country, the president has put an end to political diversity—not by stifling it, but by causing its dispersion. Now he is moving slowly but surely in the direction of authoritarianism in the sphere of the separation of powers—once again, not by stifling the legislative branch, but by dismembering it. Some observers have made the accurate comment that legislative power is being exercised today both by parliament and the Presidium and by the government and the president. In the absence of a constitutional court, all of them are producing conflicting laws, and against this background the stern executive branch seems to be the only measure of all things and the only hope of salvation.

It was no coincidence that Kravchuk responded to this situation by sending up, so to speak, a "trial balloon"—declaring a state of economic emergency. It is true that this looked less like an attempt to judge audience reaction than like a friendly hint: Think it over, friends, mull it over and...get used to the idea that emergency action is necessary. It was precisely the same kind of "trial balloon" that has been swallowed so readily by the legislators and by all of the president's opponents. This was true of the additional powers and of the institution of local representatives.... They will swallow this bait too.

Meanwhile, in the foreign policy sphere, particularly in relations with the CIS and in military matters, our president and commander-in-chief has no equal. Of course, it is true that he does not even have a military doctrine! But it is so much simpler to begin by making the decision to withdraw tactical nuclear missiles, in the absence of any means of verifying their destruction, and then stop the process on the same pretext. If the world public is frightened by reversals of this kind, it can only be advised to grit its teeth and remember the kings who declared: "I am the state."

In exactly the same way, after just over 100 days in office, Leonid Makarovich can say, in nonpartisan candor: "I am Ukraine." The intelligent people with whom he surrounded himself when he established the State Duma will have no problem understanding that they are advisers not to the president, but to Ukraine. Today they are one and the same.

Incidentally, were they responsible for the painfully familiar words Kravchuk came out with at his latest press conference, when this man who never makes a slip in his speeches referred to the "so-called democrats"? But after all, this is the 100-day anniversary not only of our president, but also of independent Ukraine. Or should I say so-called "independent"?...

Plyushch Assesses Parliamentary Performance

92UN1054A Kiev GOLOS UKRAINY in Russian
18 Mar 92 pp 4-5

[Interview with I. Plyushch, chairman of the Ukrainian Supreme Soviet, by S. Pisarenko: place and date not given: "I Do Not Understand What Offense Ukrainians Have Committed"]

[Text]

[Pisarenko] Ivan Stepanovich, at the news conference on the day of your election as chairman of the Supreme Soviet you said that in economic policy you prefer not therapeutic methods but surgical intervention. Has it succeeded? Are you satisfied with its results?

[Plyushch] No, it has not succeeded. If we had already formed a government of national trust, then that could be considered surgical healing. What is taking place today is therapy, when they try to treat a serious illness with whatever medicines are at hand. If the Supreme Soviet had formed a structure and a government in three months, we would have heard many complaints against it.

[Pisarenko] But what, in your opinion, has caused the delay in the adoption of the package of economic laws?

[Plyushch] Life itself. The delay is caused by the consciousness of the people's deputies and citizens of Ukraine. I would like to cite a specific example. On 10 March a question was posed specifically for me on the first page of the newspaper KIYEVSKIY VESTNIK by

Konvyy, people's deputy of the Pecherskiy Rayon Soviet of Kiev, under the title, "I Own It!" The author of that question is a professor of the department of philosophy of the Academy of Sciences of Ukraine and a candidate of philosophical sciences. But he was not looking into economic laws. I will cite just one of the final paragraphs of that article: "What is a person to do when no one will buy the property allotted to him? Will the Supreme Soviet allocate any vehicles to enable such a 'capitalist' to 'drag' his portion of an outdated blast furnace or coke-oven battery to his house so that he may feel himself a master if only in this fashion, allowing no one to approach his property and entertaining himself in full measure with the thought: 'I own it!'?"

You understand, if this were spoken by a simple man, one might not be surprised. But when a candidate of sciences and a professor looks at privatization and radical economic reforms this way... That is the answer to your question.

[Pisarenko] Ivan Stepanovich, in the corridors of the Supreme Soviet among the deputies I have had the opportunity to hear people say that it is advisable to redraw the standing commissions. Particularly the commissions, for example, on questions of revival and social development of the countryside and on questions of the agro-industrial complex because, as the deputies say, they were needed when there was a state and a kolkhoz-sovkhoz sector of management. Now the situation has changed and it would be justified for one commission to be occupied with questions of the agricultural sector of Ukraine's economy. Several other standing commissions have overlapping functions as well. For example, the Commission on Human Rights and the Commission on Questions of State Sovereignty and Interrepublic and Interstate Relations. Interstate relations are handled in one fashion or another by the Commission for Foreign Affairs, because these days both Belarus and France are foreign states. And questions of interethnic relations are part of the sphere of human rights. What is your opinion of the redrawing of commissions, and will this question be broached at the closed session of the Supreme Soviet?

[Plyushch] We need a closed session. The deputies' demand to hold one has deep roots and a basis. But we must prepare for it, because if we make it our goal just to let off steam, there will be an effect, but only a small one. As chairman of the Supreme Soviet I must prepare proposals in order to improve its functioning. We do need a redrawing of the standing commissions. It would contribute to a more objective analysis of draft laws on this or that problem. The commissions would have the opportunity to more efficiently supervise the execution of the rulings adopted by the parliament, and a redrawing would eliminate some contradictions in the work of the commissions themselves. As for how they will be redrawn, life will show us. Perhaps this issue will be raised at the closed session.

[Pisarenko] Ivan Stepanovich, what is your attitude toward the pressure existing in parliament for speedy, new elections to the Supreme Soviet?

[Plyushch] I differ sharply with that point of view. Only this Supreme Soviet, whatever kind it may be, has the authorization of the people to carry out that task which is the main task today—to create a solid foundation for the construction of an independent, democratic, rule-of-law state of Ukraine. These are my arguments. First. For more than 18 months we worked to create the legislative basis for a sovereign Ukraine and held a referendum. State independence of Ukraine was approved by 90 percent of the electorate. I believe that this constitutes an approval by the people of the work of the Supreme Soviet. Second. After declaration of the Act on State Independence of Ukraine, the Supreme Soviet, the only one in the former Union, worked out a package of laws on our own Armed Forces. Third. In January the president began the formation of our own Armed Forces not out of thin air but on the basis of the appropriate laws.

The subsequent package of laws is targeted at economic reforms, in other words a change in the form of ownership. No one else has adopted a Law on Property. However long it may have taken to put them together, three laws have been adopted—on privatization of state enterprises, on small privatization, and on securities, and we have examined a law on bankruptcy. Almost all of them were passed by a two-thirds vote, in other words a constitutional majority. That means one can boldly say that there is a healthy center in the Supreme Soviet.

The parliament should begin the development of new laws. We need to carry out judicial reform, adopt a Constitution, and then move to a law on new elections on a multiparty basis. A new Constitution will also determine just what the parliament will be in the future. After all, at present we are not a parliament for the most part. Only 191 deputies out of 450 work there on a professional basis. In addition, it is a one-chamber parliament, and if you recall, it was even a one-party parliament... In addition, the representative power should be functioning constantly. Each of the chambers should be reelected in turn, which will also create serious obstacles to a dictatorship. We will continue to work until the next elections and people will see who is whom and they will orient themselves in directions...

[Pisarenko] In parties...

[Plyushch] As for parties, there are presently 14-16. I share the programs of those parties that favor social protection of the population, social justice, and an increase in prosperity on the basis of freely competitive labor. I do not share the point of view of those programs that foresee the achievement of these same goals by way of control and distribution.

[Pisarenko] Can you say the same thing about the local soviets?

[Plyushch] No, I take the following position: If the people in each village are prepared to publicly elect their own leader, they should have the opportunity to do that. After all, only after we have formed a strong power of national trust at the local level will we be able to undertake parliamentary elections.

[Pisarenko] In your opinion, do the representatives of the president justify themselves?

[Plyushch] I believe that will depend to a large measure on what sort of people will be elected for that. At the same time, I categorically disagree with those who say that the soviets have not justified themselves. Because in our country that institution has never yet worked the way it works in other countries. We falsified its content even when the soviets of worker and military deputies were conceived. A parliament is a soviet, a congress is a soviet, a senate is a soviet, and a дума is a soviet. The question of whether or not there will be soviets does not depend on the president or his representatives. The president cannot eliminate them because no one has granted him such powers. If he does, it will violate the Constitution. I am deeply convinced that so long as this Supreme Soviet exists, even the president can feel more secure.

Thus our task in the transitional period is to preserve the soviets and conduct new elections from the village to the city and oblast and then to adopt a Law and hold elections to the Supreme Soviet. We also need to form the representative organs that exist in democratic states with a parliamentary or mixed form of state administration. Sometimes when I am abroad they ask me what kind of Constitution we have—French or American. I say, Ukrainian. But they tell me that the most developed form is the American one. There the president is the head of the state, but this does not keep the congress from existing with authority and respect. Meanwhile, our stereotype comes to us from Ivan the Terrible. We have been taught that it is a question of either dictatorship or anarchy. Our task is to create representative organs which will be a counterweight to a possible dictatorship.

[Pisarenko] At one time you said that Ordzhonikidze Street was pressuring Kirov Street. The times have changed and so have the names of those streets. But is Bankovaya Street now pressuring Grushevskiy Street?

[Plyushch] No, it is not. But if a third apparat were to be formed in the future, I would not rule out such a possibility. In other words if the executive power gets two apparats, someone will pressure someone. The Supreme Soviet is the legislative organ and does not have direct relations with these apparats. I will only say that if they were to telephone me from that apparat, I would immediately make sure they understand that I do not communicate with the president via an apparat. And Leonid Makarovich supports this in every way.

[Plyushch] You defended the building of the Supreme Soviet. Was this not a minor conflict with the president?

[Plyushch] There was no conflict. Neither minor nor major. When Leonid Makarovich was still chairman of the Supreme Soviet, according to a decree of the presidium all property and the structure, everything that was on the balance sheet of the former Ukrainian Communist Party Central Committee, was transferred to the balance sheet of the Supreme Soviet. Well, I and I alone told Leonid Makarovich that this was incorrect. Because for the people of Ukraine and especially for the residents of Kiev it did not matter who was a monopolist: the former Central Committee or the Supreme Soviet. I introduced a proposal to leave for the Supreme Soviet only what it needed and to transfer the rest to the Cabinet of Ministers to solve the problems of Kiev and the republic. Leonid Makarovich agreed with this. Thus, the building of the former Central Committee remained with the Supreme Soviet to lodge the standing commissions, and in time the residence of the president was also located in it because, after communicating with the presidium, we also came to the conclusion that even though our building was equipped for the work of the Soviet, it would answer all demands. The president agreed with this argument.

[Pisarenko] Are there any disagreements between you and the president, and what kind are they? Strategic or tactical?

[Plyushch] There are no strategic disagreements. For us, the strategic task consists of consolidating in reality the statehood of Ukraine. At present our economy is not a national one. And that is the chief cause for all of our misfortunes. So long as it is not a national one, we will not have normal relations with a single republic. Incidentally, we never had relations, but rather direct dependence and dictate. Relations have not existed between Ukraine and Russia since 1654. What kind of relations can there be if I am dependent, if I am a part of the other, and if a great number of structures have been created over me to make me dependent? Interstate relations are only now being created. And therefore my strategic goals are the same as those of Leonid Makarovich. This does not signify that Ukraine will not use Russian petroleum or Turkmen natural gas, but they must not come to us in the form of an instrument for ultimatums.

Today there are discussions underway about the state and integration in the European economy, but there are doubts as to whether to move to world prices or not. But how can one integrate without them?

When the ruble does not work, agreements cannot either. For example, Fokin traveled to Turkmenistan, coordinated everything for natural gas, and when he came back home they had second thoughts. This is the way all the agreements are. So, if we want to integrate into Europe we need to acknowledge its "rules of the game."

Great hopes have been set on coupons. These are ration cards which, within the bounds of Ukraine, may replace the monetary mass. Leonid Makarovich understands this. But it is not enough to understand—one must act

For example, I believe that if six aircraft were to take off and land in Smolensk, after that the president should not sign a single document and should submit a proposal for the replacement of the commander of the United Armed Forces. Because if under his command aircraft fly wherever the pilots want, then he is no longer in command.

Or take the problem of the Black Sea Fleet devised by Shaposhnikov and his team. The problem of the former Navy of the USSR is a genuine one. Why is there a problem with the Black Sea Fleet and not with the Baltic and Northern Fleets? For Ukraine the problem of all these fleets is an equally difficult one. We need either to divide up all of them or move to a zero variant.

[Pisarenko] Do you not regret that you did not open discussions in parliament during ratification of the Accord on the CIS? People's Council complained against you at that time. What did their complaints consist of?

[Plyushch] I am deeply convinced that I acted correctly. You know, there are some things on which one cannot ask for the advice of others. One must be guided by one's own intuition and contrast it with the opinions of the deputies. In each case one needs to see what is most important and what is less so, one needs to see the light and the dark. Everything in the world is relative. Thus, at that time the most important thing was to liquidate the Union structures. The agreement provided a basis for that. Moreover, I knew that our ratification was expected in Minsk and Moscow. Thus, in the name of the most important thing it was impossible to open discussion. The complaints of People's Council consisted of the assertion that I was undemocratic. I excused myself and said that I did in fact act that way. But I have told you why.

[Pisarenko] Do you consider yourself a democratic man?

[Plyushch] I am convinced that to be democratic means acting within the framework of the law. Churchill said that democracy is not the best form of state administration, but it is the best that humanity has devised so far. To lead democratically means to lead within the framework of the law. So when I violate the law, that means that I am not democratic. Our temporary rules still are not law, although they have been adopted by the Soviet. They are temporary because we still have not yet worked out permanent ones.

[Pisarenko] Which forces in parliament do you rely upon? Why, in your opinion, is it possible to find a common language more quickly at meetings of the presidium than during plenary sessions?

[Plyushch] I will begin with a response to the last question. It happens that way because members of the presidium do not do enough work in the commissions they head.

In the meantime I rely on the healthy forces of parliament, and I am glad that it, as a colleague of yours has put it, is sailing out into clear waters. At the fifth session

I went away satisfied for the first time when we had examined the issue of privatization papers and securities. At that time, to be honest, there was such a quantity of deputies in the hall that if discord had begun it would have been impossible to arrive at the adoption of a ruling. Then I saw that the parliament was able to consolidate itself around the most important and healthy thing. That makes me happy.

[Pisarenko] Ivan Stepanovich, at your first news conference you said that you had not thought about a candidate for the post of first deputy. Have you in fact made your choice?

[Plyushch] That is a very interesting issue. For five years I was chairman of the Supreme Soviet of the preceding convocation. But if I were to compare those five years with the present two years or so, I would say that I have been working not two years but 200. I have had the opportunity to fulfill the direct duties of a chairman for a fairly long time. I saw that when the deputies felt trust and respect, if was possible for me to direct their work into this or that channel and come to a good end result. When there was no such respect and trust I saw how quickly I lost contact with the hall. That meant that I had to immediately change my tactics and reject my previous position.

Having headed the Soviet, I promised that I would submit as a candidate for the post of first deputy whoever the overwhelming majority of the deputies proposed. The first such candidate officially proposed by letter was Vasily Rudenko, member of the Commission on Questions of the Activities of Soviets of People's Deputies and Development of Local Self-Administration. The deputies offered more than 80 signatures for him. That was a proposal of the center of the Supreme Soviet. I knew little about the personality of Rudenko, his restraint, and his common sense. Then I began to receive proposals for the candidacies of Boris Mokin, Aleksandr Moroz, and other deputies. But I said the following: If there are any more proposals signed with more deputy's signatures than for Rudenko, I will consider them. A month passed, and the passions abated. No one submitted anything.

But I considered that whoever occupied the seat of chairman and led the session would have to be someone the hall trusted. Looking over the candidates, I came to the conclusion that Vasily Durdinets could be that personality; he had carried out significant work in the commission he heads and had found many paths to compromise and harmony. In the morning I invited him to my office and offered him the post. He did not object and said that he would fulfill the duties with honor. Then I invited in representatives of People's Council and other deputies and said that I would submit that candidate. The opinions were varied. I invited in Rudenko and explained that he had all the characteristics needed to be chosen for that post and told him what I had been guided by when I did not choose his candidacy, and I asked him

to accept and show support for the candidacy of Durdinets. He did that. And I am grateful for his support. I believe that I have not made a mistake.

[Pisarenko] Ivan Stepanovich, I would like to know your opinion of the results of the third All-Ukrainian Assembly of Rukh.

[Plyushch] Rukh is not properly stable and conservative. Changes in Rukh had to take place. I do not consider the result to be a bad one.

Rukh is a healthy organization and I feel sympathy for it. Do you understand? Rukh has fulfilled its primary task, but a no less important task is the consolidation of the people of Ukraine for the creation of an independent national economy of Ukraine.

[Pisarenko] If you can, characterize your relations with Bagrov and the parliament of the Crimea.

[Plyushch] But an oblast soviet was elected in the Crimea. In my opinion elections of the Crimean Supreme Soviet should be held sooner, but that is the affair of the residents of Crimea. As for relations with Bagrov, we are poles apart. I believe that the healthy forces in the Crimea will win.

[Pisarenko] What is your position regarding events in Moldova?

[Plyushch] The Supreme Soviet of Ukraine has sent a Statement to the parliament of Moldova stating its position.

Recently I talked with Alexandru Mosanu, chairman of the Supreme Soviet of Moldova. We agreed to exchange delegations.

[Pisarenko] What kind of general conclusion can you make in summing up your meetings with foreign politicians and diplomats abroad and in Ukraine?

[Plyushch] An unambiguous one: It is time to finish the general conversations. In Ukraine a legislative foundation has been created for foreign investments, but so far we still have not seen any. I am grateful to the diaspora, but I wish to note that its representatives are coming around very slowly. The time has come for them to invest capital and help their brothers and sisters not with packages, cars, or dollars, but by teaching them how to work.

[Pisarenko] Do you visit your electoral district in the Kiev area, and what do you do for it?

[Plyushch] I will say candidly that I visit the district very rarely. I know the situation in the district well. But I am convinced from numerous meetings with voters that life is not improving.

[Pisarenko] Ivan Stepanovich, has anything changed in your daily life since your election as chairman of the Supreme Soviet?

[Plyushch] I knew that the post of chairman would deprive me of the last of my personal life. But I am guided by one thing, and I wish to be understood correctly on this: Either we will change that which presently exists in Ukraine, or... I cannot understand what offense the Ukrainians in Ukraine have committed and against whom they have committed it that we are all so poor. Ukrainians, hungry and barefoot and scattered across the entire world, have become prosperous people there. I visited the "capitalist" world for the first time in April of last year—America and Canada, and this year I saw France. The Ukrainians in Ukraine are no worse than those Ukrainians who live in that "capitalist" world. This means that the system is to blame. I will do all I can to make Ukraine every bit as good as other states.

[Pisarenko] I wish you success!

Rukh Urged To Become Western-Style Party

92UN10084 Kiev NARODNA HAZETA in Ukrainian
No 6, Feb 92 p 2

[Article by Ivan Lozovy under the "Rukh: Problems" rubric: "The Coming 'Corporatization' of Rukh"]

[Text] Washington-Kiev—It is quite natural that the young Ukrainian state, which is in the process of changing from a totalitarian to a democratic system, is still far from being politically mature. That the numerous new political parties play a very insignificant role, that existing government agencies are inadequate, and that there is a lack of wide-ranging discussion in the press and society of the most crucial political issues all indicate that the structures that should be shaping consensus in the political sphere are still underdeveloped.

In the developed democracies of the West, and particularly in the United States, policy is shaped by means of public debate. There are countless entities in the United States, each advocating its own point of view, that play a role in settling various political, economic, or social questions. The press is always ready to voice its opinion. There are research centers, known as "think tanks," which analyze various issues and make recommendations. Interest groups organized into associations, "lobbyists" (for example, the unions), agitate for and defend their interests. All these factors help in arriving at a consensus when it comes to solving the country's most acute problems.

Political parties also contribute to shaping public opinion, but this is not the main function of Western parties. The main goal of parties is to win elections. During election campaigns, parties of various sizes become significantly more active, collecting large sums of money in the form of donations and mustering often large numbers of volunteers, depending on the party's popularity. These volunteers are organized at every level, and they conduct polls, canvass political supporters, telephone voters, and the like.

Between elections, parties, even the largest of them, such as the Democrat and Republican parties, remain almost completely out of the public eye. During this period, their central organs coordinate the activity of their members in the government, provide information, prepare for the next election. When they reach 18, Americans register as voters by filling in a card on which they are able to indicate their party affiliation. Those who do not wish to join any party choose the category "independent."

The candidates and the parties to which they belong enjoy a mutually convenient relationship, which means that this relationship is not overly close. There are no membership obligations, no dues, no party discipline. Following the election of Ronald Reagan, the candidate of the Republican Party, to the presidency in 1980, there emerged a new political animal known as a "Reaganite Democrat." It was clear to all, given the large majority received by Reagan in the election, that a significant number of registered Democrats had voted for him rather than for his opponent from the Democratic Party.

There are also party elections, in which party members choose a presidential candidate, for instance, from among several aspirants. Following the party election, that party's candidate runs for office together with the candidates of other parties. A candidate who loses his party's nomination may, and often does, stand as a candidate from another party or as an independent. No disciplinary action is taken against him by his party in such instances.

Exchange of members between parties is not hampered in any way, and there is not a great deal of difference between the principles underlying the political and economic platforms of the key parties. Parties do not apply sanctions against candidates because this could lead them to dismiss a candidate, who, upon winning an election, might assure the party additional resources and the ability to influence policy making at some level. On the other hand, winning an election is often impossible without the backing of one of the big parties, because they possess large financial and human resources. For example, it is almost impossible for an independent candidate to be elected president of the United States.

The situation in Ukraine is clearly different from that in the United States. For example, it would be impossible to describe the relationship between Levko Lukyanenko and the Ukrainian Republican Party (URP) as anything other than close. It is, in fact, difficult to imagine the URP without Lukyanenko, whereas it would not strike anyone as extraordinary if George Bush, despite what he represents, were a rank and file member of the Democratic Party of the United States. The right wing, namely, the traditional wing, of the Republican Party feels that Bush is in fact closer to the positions of the Democratic Party than to its own. Ronald Reagan was originally a member of the Democratic Party and only later joined the Republican Party.

Parties in Ukraine are so weak (among Ukraine's population of 52 million, the largest of them number no more than 20 thousand members) that they largely depend on their leaders. For their part, the leaders are identified with their parties rather than with their positions in the political arena. These phenomena are a natural consequence of the undeveloped state of political relations in Ukraine.

The same holds true for party discipline. It does not exist in the developed parties of the United States because there is no need for it. There is a group of party activists who are bound by organizational discipline just as if they were members of a firm, whose goal is not to win an election but to make a profit. Those who work for a party organization do their jobs not because they are party members, but because they would lose their jobs if they failed to perform their duties. Such party "corporations"—in other words, the party's central apparatus—are sufficient to meet the parties' operational needs. On the other hand, the corps of volunteers that is activated before an election is not subject to any form of discipline. They are, after all, volunteers.

Parties in Ukraine exist for the most part in "corporate" form. As a result, if it appears that some party is organized in accordance with Bolshevik principles—that is, it maintains strict party discipline—it is evident that two distinct aspects of a developed party are being confused. It would not occur to anyone in the United States to criticize the National Republican Committee (the central apparatus, or the "corporate" part of the Republican Party of the United States) for being organized along Bolshevik lines. Discipline in the committee exists not because American Republicans have borrowed their organizational structure from the Bolsheviks, but because no organization can function without discipline.

If Ukraine's political parties represent the "corporate" aspect of developed parties, the Ukrainian People's Movement for Perestroika (Rukh) represents their "enthusiastic" aspect. Until now, Rukh has not relied on organizational discipline but rather on volunteer workers, most of whom—even those receiving remuneration—do not work on a professional basis, let alone are subject to any form of discipline. Activists have become involved out of enthusiasm and have left when the level of activity decreased or when their enthusiasm waned. A similar situation occurs among American parties before elections.

The discussion surrounding what Rukh will be in the future centers largely on whether it will assume a "corporate" aspect and if so, what this will entail. Will there be a distinction between its membership as a whole and the party apparatus? Will there be organizational discipline within the party, or "corporate" structure? In its growth and exploitation of popular enthusiasm for the restoration of Ukrainian statehood, Rukh has reached the outer boundary beyond which further development is impossible without the formation of a normal party structure. From now on, only an organization with a

clear-cut structure and discipline will be able to influence the political situation in Ukraine. The time of spontaneous pressure on Communist Party structures is long past.

What will be the benefits of "corporatizing" Rukh—that is, of introducing a party apparatus and creating an organizational structure? Rukh will be less dependent on enthusiasm if it has a structure that will serve it not only during election campaigns but also as a means by which to influence policy making. Whenever necessary, this structure will enable Rukh to appeal to the general public, send a letter or telegram in response to some political occurrence. Instead of publishing a general appeal in the press, local organizations, for example, will be able to telephone voters in their districts (lists are prepared in advance for this purpose). To give Rukh a "corporate" aspect is to introduce an improvement in the developmental process of this largely unique phenomenon.

From this standpoint, the discussion regarding whether or not Rukh will become a party is artificial and unproductive. The introduction of a "corporate" aspect—namely, the creation of a genuine organization as the nucleus of the future activity and growth of Rukh—is inevitable. Whether this is called "transforming Rukh into a party" or not is unimportant, especially as Rukh has long since functioned—even if only in part—as a party. There is no other way to describe a group of people who put forward their own candidates, agitate for support for a certain political platform among the general public, call themselves (or are called by others) "rukhiivtsi," etc.

Some Rukh leaders confuse two concepts. They express their opposition to the transformation of Rukh into a party, while simultaneously proposing organizational changes (for instance, introducing discipline) that will inevitably make Rukh much more like a Western-style party. The Ternopil regional organization of Rukh has already introduced membership and a more defined organizational structure. Although Rukh still cannot be called a party, the changes that would bring Rukh closer to a developed party are inevitable. Western models of developed political systems cannot be transplanted directly to Ukraine. But they can serve as prototypes for the future development of political forces and of Rukh in particular.

Rukh Congress Seen as Triumph of Emotion Over Reason

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in Ukrainian No 9, 5 Mar 92 pp 1-2

[Article by Volodymyr Korolyuk: "A Step Away From a Split: Notes From the Third All-Ukrainian Rukh Congress"]

[Text] The polemics on the eve of the congress crystallized the differences between the leaders of Rukh [Ukrainian People's Movement for Perestroika], or, more

precisely, the members of the central leadership of Rukh, the leaders of parties, and the leaders of regional organizations. It was on the third group that V. Chornovil, the head of Lvov Oblast Council, counted for support. The position of the members of the Central Leadership was personified by Ukrainian People's Deputy M. Horyn.

Dissatisfied with the outcome of the presidential election, the local organizations, especially those of Ternopil and Transcarpathian oblasts, developed a new conception and structure of Rukh, which aims at transforming this public-political organization into a party. They felt that a definite departyization of the leading organs will promote the consolidation of all democratic forces.

The attitudes of the central leadership and that of the leaders of local organizations towards the government and the president in particular proved to be quite different. The central leadership urged Rukh to cooperate with L. Kravchuk, while V. Chornovil proposed that it remain in opposition.

To be sure, eventually the leaders began to draw closer in their stands, but not on everything. The final say, however, was to be had by the congress, which all awaited with both trepidation and hope. With trepidation, because rumors of a split were becoming increasingly more ominous; with hope, because there was the expectation that the leaders would have sufficient courage, strength, and wisdom not to cross the boundary beyond which Rukh would suffer a crisis.

In his report to the congress, "The Future of Rukh, the Future of Ukraine," I. Drach urged "that the third great congress of Rukh become a place of sober evaluation, and in some respects even reevaluation, of our activity, a forum for an in-depth analysis of the new circumstances, a new stage in the attainment of Rukh's fundamental programmatic goal—the building of an independent, prosperous, and powerful Ukrainian state." The head of Rukh clearly defined the current political situation, which can be described by the term "neocolonialism." He cited examples of specific anti-Ukrainian actions by our nearest neighbor. In his opinion, Rukh should abandon continual and total opposition to the government and establish a new identity for itself, a state-building one, since "the interests of the people and the nation are higher than class interests or the interests of any one party."

Considerable attention was devoted in the speech to the relationship between democracy and statehood. In particular, I. Drach noted: "I address myself to those patriots, even Rukh members, who have gotten lost among the three pine trees of democratic rhetoric. Is it possible that we still fail to realize that unless we have a strong, inviolable state, not just a democratic Ukraine, any kind of Ukraine is impossible, except as a geographic entity familiar to only a few in the outside world? Do we still not understand that unless Ukraine is cemented from top to bottom with a strong and effective government, it will become a passage yard for foreign policies

and economies and resemble the sand palaces and castles that children leave behind at the seashore or on river banks" (I should note at this point that the strongest opponents of this argument were V. Chornovil and I. Tanyuk. The former maintains that statehood without democracy is impossible, the latter, that he does not wish to live in a Ukrainian Albania.)

Thus the report to the congress, in which Drach the poet gave way to Drach the politician, opened the way to an understanding on the basis of a need to build the Ukrainian state and defined the key directions of Rukh's activity, both practical and theoretical. All the more as in his speech at the congress the president of Ukraine, I. Kravchuk, also urged Rukh to mutual cooperation.

For the sake of the future of Rukh and of the future of our country, we must be frank and admit that, unfortunately, it was not reason that triumphed at the congress but emotion. The delegates forgot that there is a time for "casting stones" and a time for "gathering stones." Victory went to the lumpen element, which is given to slogans rather than to analysis. For some reason, the intellectual forces in Rukh were pushed into the background. What predominated in the "revolution" of the Rukh rank and file was the "destructively critical" practice of the central leadership, which was especially evident on the second day of the congress during the discussion of M. Horyn's and V. Chornovil's platforms. In the end, the congress did not allow People's Deputy Larysa Skorvyk to complete her remarks, in which she attempted to criticize V. Chornovil. This was the turning point at the congress. The unity of Rukh cracked apart.

After prolonged negotiations by the coordinating commission, a compromise was reached. The congress elected three cochairmen of Rukh—I. Drach, M. Horyn, and V. Chornovil—and a central leadership in accordance with established quotas and introduced changes and amendments to the constitution and program of Rukh.

But the sense of apprehension remains. How long will the supporters of V. Chornovil and those of I. Drach and M. Horyn continue to find grounds for agreement? Might the departyization of the leading organs of Rukh not turn into the departyization of Rukh and the creation on its basis of yet another "pocket-sized" party—something that Jacek Kuron, the representative of Polish Solidarity, warned the congress delegates against? Given the collapse of production, the impoverishment of the nation, Russia's economic expansion, and the prevalence of a "sausage" rather than a state-building ideology among the general masses, will the leaders of Rukh exhibit enough strength, courage, and wisdom to resolve in spite of everything, to cooperate with the government in a constructive fashion instead of maintaining a position of total rejection of the president's and the government's decisions with complete disregard for the possibility of failing to reform society and for the possibility of losing the next election? Unfortunately, the Rukh Congress did not provide answers to these questions. Yet

the split in Rukh means a split in Ukrainian society, a loss of hard-won positions, and breaking the pace of reforming public opinion. As I. Drach noted in his report, "Whether we like it or not, Rukh is destined to prepare itself to shoulder the full responsibility for the fate of Ukraine not only in the moral and political sense, but also with respect to its statehood and government."

Republican Party-Rukh Dispute Analyzed

92UN10600 Kiev NEZAVISIMOST in Russian
20 Mar 92 p 6

[Article by S. Tikhyy and interviews with Vyacheslav Chornovil, co-chairman of Popular Movement of Ukraine, Les Tanyuk, chairman of People's Council, and Levko Lukyanenko, Ukrainian Republican Party leader, by M. Starozhitskaya, date and place not given: "Is One Old Rukh Better Than Two New Ones?"]

[Text] *The Third Congress of the Popular Movement of Ukraine (PMU) came to an end three weeks ago, but the disagreements over the three co-chairmen have not come to an end. Is this the price of compromise? Is it not too high? After all, this is the question for Ukraine. To be or not to be a democratic state?*

URP [Ukrainian Republican Party] Position

The NEZAVISIMOST editors received a statement from the leaders of the Ukrainian Republican Party on the political implications of the Third Congress of the Popular Movement of Ukraine. After acknowledging Rukh's services and role as an open sociopolitical association, it stresses:

"Unfortunately, the results of the Third PMU Congress clearly testified that Rukh's future will be decided by forces that have spent the last few months vigorously defending the idea that Rukh should represent a single party, should not have members from other parties, and should be turned into a political organization of the party type—in effect, a new political party.

"An analysis of approved documents and amendments to the PMU charter testifies that members of political parties no longer have the right to take an active part in Rukh's activities. They cannot hold any elected office or influence Rukh policy even on the local level. What sounds particularly dangerous is that the new political organization will continue to be viewed by the overwhelming majority of citizens as an association of all democratic forces.

"For this reason, the URP feels obligated to announce that it will not be part of the new political organization which has usurped the common name of all democratic forces—the Popular Movement of Ukraine—and will not be responsible for its policies and activities.

"In recognition of the need to preserve the Popular Movement of Ukraine as an association of all democratic forces, we feel that we and other democratic

political parties, public organizations, and members of Rukh who share our views, are Rukh's legal heirs and successors.

"We are prepared to continue cooperating and seeking the means of the organizational improvement of our common Popular Movement of Ukraine and we are asking the political leaders and all of the members of the new political organization (or party)—the Rukh—to define themselves as an organization."

"Our attitude toward the new political party that was founded at the Third Rukh Congress will depend on its participation in the process of building the state and establishing the multi-party system and democracy."

The statement was signed by the Council of the Ukrainian Republican Party and was dated 7 March 1992.

Rukh's Comments

[Chornovil] The statement says that URP was not only always an important element of Rukh, but also one of its founders, but after the Second Rukh Congress they had a chance to join Rukh as a collective member, which would have facilitated its establishment as an open political association, and they did not do this. During the period between the second and third congresses, however, they openly tried to subordinate Rukh to their own party. The charge that we want to turn Rukh into a political party is groundless: Rukh is still a broad association of political organizations.

The remark that the URP is the legal heir and successor to the ideals of the "earlier" Rukh is also groundless. This sounds like what Russia did when it declared itself the only legal heir of the former USSR, in contrast to which Rukh has not collapsed and is still active.

Regrettably, it is the URP that is trying to dissolve Rukh today by insulting and denouncing it. This policy could split the association of Ukrainian democratic forces and attests to the URP's tendency to use undemocratic, schismatic, and unscrupulous methods.

Incidentally, the URP cleverly bypassed the issue of Rukh's position in relation to the government in its statement. This is a position of constructive opposition combined with electoral support for the president's actions. They support a conciliatory position that is fundamentally dishonest.

Comments of People's Council

[Tanyuk] The statement is infuriating because it will cause a rift between the URP leadership and the organizations on lower levels that are cooperating productively with Rukh on an individual basis. In fact, this is simply a continuation of the old arguments for and against the support of Kravchuk. Rukh has defined itself as a constructive opposition, and most of the members of the Republican Party would also define themselves in this

way, but the upper echelon has decided that the president is a Ukrainian Mazepa and it must adhere to his policy line.

It is clear, however, that the presence of a strong opposition in a state can only strengthen democracy and regulate Kravchuk's policy line. In the final analysis, the other parties that will work with the new Rukh leadership will be politically more farsighted. The URP, which already experienced one split last year, has put itself on the threshold of a second and more severe one.

URP Comments

[Lukyanenko] I think we responded in time to the congress results: We foresaw these decisions, and our fears were confirmed. We have presented our political interpretation of the congress decisions. To our great regret, the Rukh staff managed to convene a congress that supported the idea of turning Rukh into a party—many low-level organizations were not represented at all, and some leaders of other parties were not invited to the congress either.

Therefore, our statement about legal succession was not trivial. We even left the equipment we had been given by emigres in Rukh until we could get offices of our own, and this means that we are its successors in the moral and material sense. Today we are continuing our work in Rukh's traditions and we need our own center to coordinate the activities of different political parties. The Democratic Party of Ukraine, the Democratic Revival Party of Ukraine, and the Ukrainian Christian Democratic Party are on our side. We will hold consultations and do our work, and the whole thing will be a natural process. Some will leave Rukh and the others will be consolidated as part of it.

Yes, we could have joined Rukh as an associate member, but this would not have given us the right to hold even one elected office! This kind of discrimination cannot be tolerated in silence.

For those who still do not understand the whole situation, I want to add that URP has no narrow party goals. It is a constructive party, and if a person is pleased with our balanced and thoroughly considered policy line, he should leave Rukh and join us. Rukh was a temporary organization for the period of struggle for democracy and is already becoming obsolete. We need the kind of multi-party system they have in France. It is this kind of structure, and not Rukh, that we need in the future.

As for our disagreements over the president, there is a simple explanation: They criticize Kravchuk in the hope of installing Chornovil in his place, but we criticize him for the specific things he does and we also praise him for the specific things he does. That is all.

Editors' Comments

After analyzing all of the heated arguments, a small fraction of which we are printing in the newspaper today,

one arrives at the unnatural and therefore rather unpleasant conclusion that all sides are right. Who would even think of disputing Les Tanyuk's statement that democracy cannot exist without an opposition? On the other hand, was Levko Lukyanenko not telling the truth when he said that Rukh was an organization set up for a particular period, that this period seems to be almost over, and that it is time to have a real multi-party system? All of this is true, but there is something upsetting that should have been discussed frankly long ago. The Popular Movement of Ukraine never did become a mass organization, the political hibernation has continued (at least in the center, the north, the east, and the south of Ukraine), and for this reason we are dealing essentially not with disagreements over ideas concerning the public, but with a disagreement between people close to the Rukh leadership. It is from these people, from the political leaders, that we have been waiting to hear something slightly more specific than a repetition of well-known facts.

The day of 24 August 1991 was the beginning of the end for more than just the USSR.... In essence, today Rukh is like a boxer who is showing off his fighting stance under the bright lights in the ring while his opponent has already left the ring and is surrounded by a crowd of excited fans and mere "hangers-on." Does the PMU want to be the opposition? This is impossible! A constructive opposition has to have a specific program, capable of competing with the government program, or, as in our case, the government's lack of a program. By definition, Rukh, because of its political diversity, does not and cannot have this kind of program. For the same reason, as long as the PMU claims broad scope and takes the liberty of having three co-chairmen for the sake of compromise, it cannot be turned into a "normal" party either.

But processes, as the former president of the former Union said, are under way. The further they go, the easier it is to see something that was obscured by the excitement of the first victories. If democracy is propagated the way communism was, the result might be the same.... We can remember from our school curriculum, for example, how the poor Chukchi people were fortunate enough to have been taken out of their primitive communal order and, bypassing the stage of common sense, thrust directly into the barracks brand of socialism, so that they could become the butt of jokes about riffraff. In exactly the same way, people who have been deceived a hundred times and who are now preoccupied with the search for food, and have been embittered to the extreme by this search, cannot be "appointed" to serve as the opposition. This would be dangerous. There are only two ways of "putting together" a party: either by publicizing a carefully considered program and uniting people with the same views or by following the unforgettable example of the CPSU, using all kinds of unscrupulous methods and providing one's own members with privileges.

At first glance, the situation seems to be hopeless, and this is almost true. Almost, because communism is a utopia, whereas democracy is an existing system of social relations, which has been achieved gradually by more than one group of people.

Donbass Separatist Movement Deemed Unlikely

92UN10604 Moscow NEZAVISIMAYA GAZETA
in Russian 21 Mar 92 p 3

[Article by Oleg Medvedev: "There Will Be No Donetsk Republic in Ukraine, and Certainly None in Russia"]

[Text] Bogdan Khmel'nitskiy drew the border of the Zaporozhye lands along the North Donets, and in the 1750s, when Elizabeth began giving Serbian settlers land along the Donets in the territory now known as Lugansk Oblast, the Zaporozhye Cossacks had good reason to protest, because they believed that this land was theirs. For that matter, Lugansk itself grew up around the village of Kamenny Brod, which was founded by Ukrainian Cossacks.

Many populated communities in the Donbass were founded by the Zaporozhye Cossacks or the Cossacks of the Ukrainian Sioboda, and quite frequently in conjunction with the Don Cossacks. Some settlements, especially in the eastern part of the region, were founded by Donets Cossacks.

Serbs and Greeks began settling in the region in the second half of the 18th century as part of an administrative program, on orders from St. Petersburg, and they were followed by Georgians and Jewish farmers. Peasants were resettled on a massive scale. Some came from Russia, but most of them came from the former left-bank and right-bank Ukraine. The colonization of the territory by ethnic Russians became more intense after the middle of the 19th century, when industrial development was launched on a broad scale. By 1917 the ethnic composition of the Donbass was quite varied in comparison with the rest of Ukraine, but the population was still predominantly Ukrainian. The Donetsk-Krivorog Soviet Republic that has been the subject of so much discussion recently, however, was established for purely political reasons, and not for ethnic ones. In 1919 Russia finally recognized the Donbass as part of Ukraine.

New settlers continued to move to the Donbass from the rest of Ukraine and from Russia after the revolution (40,000 a year in the 1930s), and sometimes the resettlement was compulsory, as in the case of the settlers who were sent to restore the mines after the Great Patriotic War. These complex migration patterns resulted in the Donbass' present ethnic composition: The population of Donetsk Oblast is 51.1 percent Ukrainian and 43.2 percent Russian, and the respective figures for Lugansk Oblast are 53.6 percent and 43.8 percent. The linguistic situation, however, does not correspond to the ethnic composition: Only 23 percent of the schools in Lugansk Oblast and 9 percent in Donetsk Oblast offer instruction in the Ukrainian language, and most of these are rural

primary schools and small grammar schools. Only 26 of the 159 oblast, local, and major newspapers are published in Ukrainian, and the ratio of oblast television and radio programs in Ukrainian and Russian is 42:58. Nevertheless, attitudes toward the Ukrainian language have undergone a gradual change for the better recently, but the local Russian-speaking political elite has not acknowledged this yet and has persisted in its Russification efforts: In 1991 the Ukrainian organ of the Lugansk Oblast Soviet, PRAPOR PEREMOGI, became an officially bilingual, but actually Russian publication—NASHA GAZETA. MOLODAYA GVARDIYA, the only newspaper publicizing the ideas of Ukrainian national revival, was closed down. In 1992 the oblast Ukrainian newspaper in Donetsk Oblast, SILSKA DONECHCHINA, ceased to be published in Ukrainian. People in Donetsk encountered many difficulties before they finally managed to open their only Ukrainian school, and there is no such school in Lugansk.

Within the next few years, however, the Ukrainian language will be in higher demand because of the independent state and its broader sphere of application. Some de-Russification is inevitable in the Donbass. It might be based on the experience of the 1920s, when the Donbass had not only Ukrainian and Russian schools, but also Greek, German, Jewish, Bulgarian, and even Assyrian schools.

People outside Ukraine might view the de-Russification as forcible Ukrainization, and this could lead to outside efforts to fuel separatist feelings. If Kiev proceeds as carefully and prudently as possible, however, the situation in the Donbass will not reach the point of serious separatism, especially if the multinational nature of the whole population is borne in mind.

Becoming part of Russia would not be feasible: The Donbass could not be divided into Ukrainian and Russian portions because the population is territorially integrated. Because the overwhelming majority of Russians here have deep roots going back several generations, their geographic, economic, and political attachment to Ukraine would ultimately be stronger than their ethnic attachment to Russia. In addition, the Donbass population is apolitical, and there is no reason to expect a massive separatist movement.

There are no separatist forces in eastern Ukraine today. Earlier local officials have retained their authority and are happy that Kiev has not taken any drastic action against them. The territorial integrity of the Ukrainian state is supported by all of the parties active in the region—from the Ukrainian Republican Party to the Socialist Party. The movement for the revival of the Donbass, which was established in February, advocates free economic zones in the near future and the division of Ukraine into federal lands (in the more distant future), and is certainly not promoting the political independence of the Donbass or its transfer to Russia. Sooner or later, there will be administrative reform in Ukraine, and this is when the federal land of Donbass

might be created, less because of distinctive linguistic features than because of its special role as a Ukrainian industrial center with close ties to Russia. There will be no republic, however, in eastern Ukraine.

Resolution of Krivoy Rog Miners' Strike

924A0822B Moscow RABOCHAYA TRIBUNA
in Russian 24 Mar 92 p 1

[Article by RABOCHAYA TRIBUNA correspondent Sergey Ilchenko under the rubric "Rejoinder": "Why Aircraft for the Miners?"]

[Text] Dnepropetrovsk—A miners' strike of the largest proportions seen in the region of the Krivoy Rog mines has ended.

In autumn of last year L. Kravchuk, candidate for president of Ukraine, met with Krivoy Rog miners prior to the elections and promised to resolve on an equivalent basis the economic issues involving coal miners and iron ore miners. However, the understanding was violated in January. The Krivoy Rog mines for extraction of iron and manganese ore still had no privileges.

Sharp^{ly} increased prices for meat products turned out to be the last straw. The miners chose the most difficult form of strike—they refused to come up to the surface. Shift after shift of miners descended to the mine face and joined their comrades.

The first result of this action of protest was the resignation of the entire Krivoy Rog Gorispolkom [city executive committee]. The miners hope new officials will turn out to be more honest than the old ones.

Kiev too decided not to exacerbate the conflict with the Krivoy Rog miners. A presidential ukase now frees enterprises engaged in underground ore extraction from the so-called Chernobyl tax, increases their maximum level of profitability by 30 percent, and significantly reduces the tax on income. The miners are permitted to conduct barter transactions for all varieties of goods.

Having lost in one area, the republic administration did not miss an opportunity to gain in another. As if at the demand of striking miners, a division of CIS [Commonwealth of Independent States] military transport aviation stationed in Krivoy Rog will be included in the composition of the Ukrainian Armed Forces. Although just how this will help resolve the problems of the mining region is difficult to understand.

ECONOMIC AFFAIRS

Canadian Banknote Firm Offers Currency 'in 12 Weeks'

92UN1080B Moscow NEZAVISIMAYA GAZETA
in Russian 27 Mar 92 p 3

[NEGA report: "Ukraine"]

[Text] Douglas Arends, president of the Canadian firm "Canadian Bank Note Company," stated in Kiev 24

March that his firm was prepared to deliver the first consignment of printed Ukrainian currency 12 weeks following signing of the final document on financing the conclusion of all work.

For failure to sign this document, Vladimir Matviyenko, former chairman of the National Bank of Ukraine, was criticized and removed from his position. The necessary document may therefore be signed with the Canadian firm in the near future by Vadim Getman, new chairman of the National Bank of Ukraine.

Volyn Peasants Strike Over State Purchase Prices
92UN1080A Moscow TRUD in Russian 26 Mar 92 p 2

[Unattributed article: "Peasants Strike"]

[Text] On 24 March peasants in Volyn began a three-day warning strike.

Our correspondent G. Klyuchero met with Ye. Kirilchuk, chairman of the Volyn Oblast Committee

of the Agricultural Workers Trade Union, who stated:

"I would immediately like to draw attention to the fact that, if someone thinks that in striking the peasants have abandoned their lands or cattle, he is profoundly mistaken. Conscience will not permit them to do this. But concerning refusal to sell the state agricultural output—they are forced to resort to this by the shortsighted agrarian policy of the Ukrainian Government. For the village dweller is being robbed in broad daylight. The city has increased prices for its goods by a factor of 10-100, while prices for meat and dairy products have risen only three- or fourfold. This means they have utterly ruined the village dweller. Representatives of all rural production met in Lutsk back at the end of February and selected a strike committee. A program of demands was also drawn up there—for guaranteeing priority of prices for agricultural output, repeal of all taxes except taxes on land, the establishment of preferential credits, indexation of accounts of kolkhozes and other agricultural organizations as of 1 January of this year..."

MOLDOVA**Romanian Attache Protests 'Biased' Moldova Coverage***PM0304101192 Moscow SOVETSKAYA ROSSIYA in Russian 2 Apr 92 p 1*

[Letter to chief editor from Savian Bulacu, press attache at Romanian Embassy in Moscow; first paragraph is introduction: "View From Moscow"]

[Text] Moscow, 1 April 1992—The editorial office has received a letter from the Romanian Embassy in Moscow. While publishing it at the embassy's request, we are also printing a report from our special correspondent in the Dniester region. We think that an eyewitness' testimony of events will help the reader to compare the view of the problem from the hotspot and from afar.

To the chief editor of SOVETSKAYA ROSSIYA.

We note that of late your newspaper has published reports that do not correspond with reality and misinform the broad public about so-called Romanian military intervention in the conflict launched by separatists with the backing of illegal armed formations of Cossacks from Russia in the eastern region of the Republic of Moldova.

As you know, the Romanian Government has frequently denied these incorrect reports and it is therefore puzzling that your newspaper's editorial office is still publishing such biased claims that are totally contrary to reality

We will be extremely grateful to you if your newspaper prints this letter.

With respect,

Savian Bulacu, press attache.
Moscow, 1 April 1992.

Russian, Ukrainian Inaction on Dniester Conflict Hit*PM0304105392 Moscow SOVETSKAYA ROSSIYA in Russian 2 Apr 92 p 1*

[Article by special correspondent S. Shevtsov: "From Our Correspondent in Tiraspol. Dniester Under Fire"]

[Text] You would not have thought that the Dniester region of 1992 was the Spain of 1939, yet for some reason the lines of the song come to mind:

"Andalusia knew,

"And Valencia knew,

"Why the land did not languish under the killers' feet."

Moscow knows and Kiev knows that Russians, Ukrainians, and Moldovans are being murdered on lovely land—amid the spring orchards and vineyards of the south... After first pinning labels on the recalcitrant nationalists are now administering death.

An ambulance filled with people shot at point-blank range symbolizes the dull impotence of the unrighteous, universal sin, a condemnation of the murderers themselves. Even Chisinau is now using every newspaper and television program to persuade the naive that the shooting of a pregnant woman and a first-grader contorted with an attack of appendicitis is a holy war against a "gang of separatists." I saw this "RAF minibus" riddled with bullets (120 bullet holes—four entire assault rifle magazines!) and spattered with blood. The white cap of midwife Violetta Roshka was raked with bullets and bloodstained—the bullet entered her head.

Eight-year old Serezha Lazarenko is in the hospital on a drip with a bullet wound in his shoulder. His mother Nina Mikhaylovna was wounded in the arm.

Svetlana Simachenko, 20 years old and in childbirth, and ambulance driver Aleksandr Rusnak got hit by a bullet. When the first shots were fired at the vehicle during the night from ambush, Aleksandr Ivanovich braked, opened the door, and yelled into the darkness: "Don't shoot! This is an ambulance! I've got sick people here!..."

He was downed by a second burst and then there were more and more shots from closer range...

This crime was committed near Grigoriopol 500 meters from the transformer station blown up by terrorists four days previously.

Does Moscow know? Does Kiev know?

Bursts of machinegun and assault rifle fire have become commonplace in the cities and villages of the Dniesterr region. A war of position is effectively under way, interspersed with attacks from the Moldovan police's "armored squads" on small, poorly armed detachments of Dniesterr residents.

Yesterday the Dniesterr Moldovan Republic announced at a press conference for Soviet and foreign journalists that Moldova has declared general mobilization.

Romania is already overtly promising military aid for Moldova, where, as you know, a process of unification with Bucharest has been under way for a long time now: The state administrative system and state emblems are already Romanian and the economy is being reoriented to the Romanian economy. In "Bessarabian" schools children are now studying Romanian history. Even the state border is open. The nationalists seem to have planned and taken everything into consideration. It is just the people of the minute Dniesterr region who refuse to fit into this plan for Romanianization.

"It's not war we have here, but genocide. And we are defending ourselves," I. Smirnov, president of the Dniesterr Moldovan Republic stressed at the press conference at the republic's Supreme Soviet.

When asked by SOVETSKAYA ROSSIYA's correspondent "Do the people of the Dniesterr region have enough

forces to stand alone?" G. Marakutsa, chairman of the Dniesterr Moldovan Republic Supreme Soviet remarked:

"It is well known that Chisinau officially receives weapons and combat hardware from former Soviet Army arsenals. We do not have that opportunity. We have remained alone. You can kill 1,000 Dniesterr inhabitants, or 2,000, or 3,000... You can arrest 10,000. But no one will be able to forcibly subjugate a people of 750,000."

The leader of the Dniesterr parliament turned to his audience anxiously:

"Perhaps, journalists know why Russia and Ukraine have kept quiet?"

The Dniesterr region is perhaps the only place in the former Union where destructive forces have not succeeded in playing the nationalist card in a region saturated with so many nationalities. The multilingual people have remained united, and dozens of Russians, Moldovans, Ukrainians, and Gagauz are joining the guardsmen's ranks every day... With difficulty, the people of the Dniesterr region call those people who unleashed the aggression against the republic and are attacking its defenders virtually every day "Romanians." There is no contempt for the nation in this name, in my view, merely general, powerful, unified protest at forcible Romanianization.

Journalists at the press conference were also presented with a Romanian antitank grenade found with dozens like it in special bays at a position won from the Moldovan police. Is this material expression of the way that the conflict is developing: to the level of a European war?

Republic Unrest Examined, Solution Offered

92UN1072A Moscow ROSSIYSKAYA GAZETA
in Russian 1 Apr 92 p 7

[Article by Professor Mikhail Muntyan: "A Family Hearth Cannot Be Built in a Cemetery"]

[Text] The author of the article, Prof Mikhail Muntyan, doctor of historical sciences and well-known specialist in the field of international relations, expresses his viewpoint on current events in Moldova, debatable on a number of points. But the editorial office considers it useful to familiarize our readers with it.

If we go by the classification of W. Urie, professor at Harvard University, the Dniester conflict has in a matter of months covered the distance from contradictions of a nonconflict nature through acts of violence accompanied by bloodshed. Moldova, like other places in the former Soviet Union, has been unable to keep the lid on the process of the "eruption" of the human environment understood as the ethnopolitical and cultural self-identification of peoples and nations, compressed in

time, within a nonviolent and productive framework. National extremism and ethnic particularism have here also demonstrated their incompatibility with democratic transformations, complicating the building of an independent Moldova to the utmost. Moldovans, Gagauz, Ukrainians, and Right-Bank and Left-Bank Russians have forgotten, as it were, the piece of folk wisdom common for all: A family hearth cannot be built in a cemetery. But policy can?

Graves are, in any event, multiplying on both banks of the Dniester. The republic is inexorably sliding into war.

Who is to blame? What is to be done? In their answers to these traditional questions the mass media of various countries are seeking a solution of the "Dniester tragedy," but are finding, as a rule, merely a vindication of one of the parties to the conflict, and for the other, compromising material. The following cliché has already taken shape: "Moldovans are nationalists" who have narrowed their vital interests down to a single desire—the speediest unification with Romania; the "Dniester separatists" are unwilling to live in a strange "all-Romanian home," which is alien to them, and "will always identify themselves with 'Greater Russia.'" The Gagauz are adding themselves to the separatists also.

This pattern, which was engendered back when the Moldovan parliament, intoxicated with its own heroism, not only proclaimed Romanian the official language and not only lifted the taboo on the feeling and consciousness of the vital kinship of Moldovans and Romanians but also organized a real "military expedition" headed by Prime Minister M. Druc against "dissident" Gagauz and an avalanche of pressure and blackmail against the "rebellious Dniester region." In Moldova the pair of protagonists has long been replaced by a triangle of forces. The Moldovan "side" is split. The first part is composed of the supporters of the People's Front who are prepared to fight for reunification with Romania with every possible means, with weapons included, and who consider the very concept of "sovereign Moldova" an empty "set of words." The second is the "party" of President M. Snegur and the parliamentary majority advocating the coexistence and close cooperation of two independent Romanian states, civil peace, and the territorial integrity of the republic, a government of national accord with regard for the structure of the population and so forth.

This "split" is being disregarded not because there are in the republic many manifestations of everyday and bureaucratic nationalism, responsibility for which is borne by both the president and parliament. And not because there is a reluctance to see the quite serious adjustment, as a whole, of the policy of the republic's directive elite, which has forced the People's Front people into opposition.

It is a question of something else: A triangle of political forces has taken shape in which each "angle" suspects a conspiracy of the two others in an endeavor to simplify

the situation by eliminating itself. If this is the case, recognition of the "Moldovan" triangle of forces has to be accompanied also by the conclusion that the People's Front people are by their nationalist extremism objectively fostering and stimulating the separatism of the Dniester area and Gagauzia, which are, in turn, undermining the chances of any prolonged historical existence of an independent Moldova and by their actions "pushing" it into the embrace of "Greater Romania."

This political "pull and push" is fanning the fire of hatred, in which the fledgling Moldovan statehood could be consumed. For a Republic of Moldova without the Dniester region and Gagauzia is nonviable, as, equally, independent states on the said territories are hopeless and anomalous.

The fog of political ambitions and selfish interests and the ideological cliches of their leading elites, however, are preventing a view of a constructive mutually acceptable prospect. Pessimism and even fatalism are predominant in the press also, as if granting an indulgence to all for the sin of further escalation of the conflict.

So what is to be done? The UN Security Council has accepted the Republic of Moldova as a member and recognized its territorial integrity (having ignored statements concerning the "current reality of the profound division of the territory of Moldova and the peoples populating it"). Three versions of the development of events are taking shape, the least likely of which is considered the consent of the people of the Dniester region to the status of free economic zone proposed by Chisinau, and highly likely, "resistance with elements of guerrilla warfare and with the participation of volunteers from Russia and Ukraine."

It could be openly announced from the television screens, as A. Nevzorov has done, that "our people" in the Dniester region will not hold out by themselves and that volunteers are needed.

Playing with options once again, arriving at "virtually the sole possibility of ensuring peace and the calm development of the region"—implementation of the plan for the restoration of the "territorial unity of Bessarabia as a historical province," having recognized its limitrophe nature and having guaranteed it "special international status as an independent self-governing territory" (to replace the Republic of Moldova, of course)—is possible.

Demanding that the Dniester region be endowed with state status, having federalized the republic on the grounds that, together with the 40 percent Moldovans, 28 percent Ukrainians and 25 percent Russians live on in the West Bank region, is possible.

It is possible, everything is possible.... And why not, when such positions are not disputable by any arguments since it is not on arguments that they are based. These positions are the fruit of confrontational thinking, which is still predominant in the policy sphere.

But world experience is demonstrating new tendencies also: the substitution of the "therapy" of search for a solution based on consensus, the "homeopathy" of ethics and morality included, for power, "surgical" methods of a solution of contentious questions. From this standpoint realism consists not of the creation of apocalyptic versions of the development of events but of the correlation of the forms and means of the surmounting of conflicts with the norms and possibilities of the era. Aristotle was right when he remarked that it is possible to err variously, but that there is only one way of acting correctly: in accordance with one's conscience.

Although difficult, reality is perfectly "simple" technologically and entirely susceptible of solution. There is the Republic of Moldova as a member of the United Nations which has, in accordance with the charter of this organization, undertaken to abide by civilized norms in its domestic and foreign policy. It is common knowledge also that the policy of the national revival of the Moldovan population of the republic, which began in 1989, infringed important political, civil, and cultural interests of the Russians, Ukrainians, and Gagauz. The People's Front's policy of Moldova's speediest affiliation to Romania evoked their organized protest. And although the situation in the republic is now far removed from what it was initially (the Dniester region and Gagauzia have constituted themselves into republics, having quantitatively multiplied and qualitatively complicated the original demands and claims, and officially Chisinau recognizes in one way or another the irrationality of the "avalanche-like" Romanianization of all regions and walks of life), the negotiating process should, nonetheless, begin with attempts to resolve the initial problems. We are talking, first, about a revision of the legislation governing questions of the official language, citizenship, and so forth. The main obstacle here is the position of the People's Front people actively supported by Romanian national-extremists from across the Prut. But if M. Snegur and the prevailing majority of Moldovans who supported him at the presidential election seriously intend building an independent Moldova, this task is perfectly feasible.

Second, nor is there any avoiding, by all accounts, the realization in this form or the other of a "constitutional compromise" providing for the regionalization of the republic with regard for national and economical-territorial aspects, but not violating its state integrity. This process represents a hallmark of postindustrialism coming to replace "the cosmopolitanism of the machine civilization" and it, having triumphed in West Europe, may be clearly discerned in Russia and is being tested for strength in Ukraine. In Moldova it is to make its contribution to the solution of language and ethnocultural problems, given a growth of the economic, political-administrative, and judicial powers of the local regional authorities. If we proceed in our understanding of power not from the feudal "hold and not let go" principle but from responsibility for realization of the basic rights and liberties of man and citizen and the

defense of the interests of both the "titular" nation and the national minorities, regionalization is naturally inscribed in the modern systems of the control of complex social organisms.

Third, Russia and Ukraine and the other members of the Commonwealth and also Romania, Bulgaria, and Turkey, whose interests are closely linked with peace and tranquillity in the young independent state, could and should contribute to the achievement of interethnic and civil accord in the republic. A conference of representatives of these five states could render Moldova inestimable assistance at the initial stages even of conciliation and its socioeconomic and political development.

Not that much is needed for a solution of Moldova's problems, but it is this which is almost unattainable—a sharp raising of the plank of public and personal responsibility of the leaders of the "conflict triangle" in Moldova before their peoples for the results of the policy they are pursuing and its "costs." Responsibility which is the same in terms of scale and nature should also be displayed by the political elites of neighboring and interested countries, initiating a negotiating process for the surmounting of the "Dniester tragedy" and striving for the good will and mutual understanding of all the political forces participating in this conflict.

This condition appears somewhat utopian in the light of the "distance" which was demonstrated by Russia and Ukraine only yesterday. But the conflict in the Dniester region has in fact gone beyond the bounds of Moldova since Cossacks from Russia are already fighting here, and the tension has affected the Ukrainian border areas also. The situation is taking on a fundamentally different nature. And only the assertive actions of Russia, defending the rights of the Russian-speaking population and bearing responsibility for the fate of the CIS, and Ukraine, also displaying concern for its fellow tribesmen and the security and stability of the almost 800-km border with Moldova, are capable of bringing the conflict to the stage of its nonconfrontational solution.

There is emerging evidence that this is understood in Moscow and Kiev, Chisinau, and Tiraspol. A comprehension of the current situation in the "war of the two banks" led to a meeting in Helsinki within the CSCE framework of the foreign ministers of Russia, Ukraine, Moldova, and Romania, who defined a common platform of the peaceful solution of the Dniester conflict based on the territorial integrity of Moldova and its respect for the rights of the national minorities and created a political mechanism for control of the events which have developed here. It remained merely to trigger the negotiating process, having ensured growing dynamism in its development. In this light the imposition of a state of emergency in Moldova was quite unexpected. It can only be hoped that in this case the emotions of statesmen have not gained the ascendancy over the interests determining the state's independent existence. In any event, President M. Snegur and his political team have put themselves in a position where not only their

political careers but also the fate of the Republic of Moldova depend on a positive outcome of the actions they have taken. But the Dniester problem is not a Gordian knot and cannot be cut even at the price of one's own or thousands of lives of other people, that is, a victory by military means is impossible here. Ultimately all the parties involved in or affected by the Dniester tragedy need one victory, whose peaceful price needs to be defended. By Russia and Ukraine and Romania and the Republic of Moldova.

Recent Events in Dniester Region Conflict

92UN1065A Moscow NEZAVISIMAYA GAZETA
in Russian 25 Mar 92 p 1

[Report by unidentified correspondent: "Children Being Shot in the Dniester Region; President of Romania Does Not Exclude 'Any Possibilities for the Settlement of the Situation'"]

[Text] Moldova

According to information of the press bureau of the MVD [Ministry of Internal Affairs], the truce was broken on 22 March. Despite the obvious provocations of the guardsmen and Cossacks, the report states that the Moldovan police did not return fire.

The MVD report emphasizes that the Dniester region guards opened fire on children playing in the streets of the village of Malovata Noue. As a result, Vitaliy Yenake and Vitaliy Burunsus were badly wounded. Born in 1976, Vitaliy Burunsus died in the hospital. Vitaliy Yenake is in serious condition. Also, a 40-year-old man was killed.

The press center of the Supreme Soviet of the Dniester region reported that on 22 March at about 1800 hours local time, nine children were gathering cartridge cases at the dam of the Dubossary GRES [state regional electric power station]. One of the children was wearing a peaked service cap like the kind that Cossacks wear. According to a press center employee, Moldovan police mistook the children for Cossacks and opened fire.

As the manager of the Moldova MVD press bureau reported to the NEZAVISIMAYA GAZETA correspondent, shooting was stopped on the left bank of the Dniester on 23 March at 2100 hours local time. But, according to a report of the press center of the Supreme Soviet of the PMR [Pridnestr Moldovan Republic], positions of the guards in the rayon of the village of Dorotskiye in the Dniester region were fired on by mortars.

On 24 March, the session of the parliament of Moldova continued. K. Antoch, the minister of internal affairs of the republic, spoke at the session. He requested that parliament undertake decisive measures to stop the conflict in the Dniester region.

On 24 March, Grigoriy Marakuts, chairman of the Supreme Soviet of the PMR, gave a press conference in the conference hall of the Moscow Soviet of People's Deputies. Also present were Lieutenant Sergey Zakatov, chief of the international department of the committee on personnel questions of the Combined Armed Forces of the CIS.

The chairman of the Supreme Soviet of the PMR said that the main purpose for his visit to Moscow was to conduct negotiations between the leadership of Russia, Ukraine, Moldova, and the PMR, whose main objective was the resolution of the Dniester region crisis. A Tiraspol representative emphasized that the PMR leadership is against participation in Romanian negotiations, inasmuch as the territorial disagreements between Kiev and Bucharest could put the Dniester region problem on the back burner. Grigoriy Marakuts also did not pass over the participation of the Dniester Cossacks in military operations: "Today, Russia is insisting that the Cossacks leave the territory of the Dniester region. I think that we have to thank the Cossacks for their

assistance and ask them to go home. But, unfortunately, the departure of the Cossacks will be possible only if Moldova will stop aggression, because our own forces are obviously inadequate to the defense of our own republic."

On Monday in Bucharest, on the initiative and under the chairmanship of Romanian President Ion Iliescu, a meeting was held with the leaders of the political parties represented in the parliament. Speaking at it, Iliescu did not exclude "any possibilities for settling the situation in the two Romanian states," and he also stressed the "complex and dramatic nature of the situation that has arisen in Moldova." At this meeting, Romanian Prime Minister Teodor Stolojan declared: "We are rendering Moldova all possible assistance for the time being, other than military." The tone of the statements by the Romanian leaders about the state of affairs in Moldova corroborates the suppositions of observers that, on the eve of elections, Iliescu will be forced to toughen his stand on the Dniester region crisis.

KAZAKHSTAN

Republic Budget for 1992

92US03374 Alma-Ata YEGEMENDI QAZAQSTAN
in Kazakh 27 Dec 91 p 2

[Article by parliamentary reporter Rysbek Sarsenbayuly:
"Millions and Billions. Where Will It Be Collected, and
Where Expended"]

[Text] Total income in the 1992 republic draft budget for the Republic of Kazakhstan is 86,830.6 million rubles. When we note that this is 64,294.9 million rubles more than in the budgetary plan for the current year, one might be utterly amazed and say "wow! What amazing riches." However, where is it going to come from? Leaving entirely aside taxes and receipts of olden days, the budget has been inflated by some things newly created. For example, the excise tax alone, or that indirect tax added to the prices of goods, will gather in 7,078.4 million rubles. You must now believe, it would seem, that tribute levied on liquor and wine, beer, chocolate, sugar, tea, tobacco, caviar, tasty fish delicacies, jewelry, textiles and rugs, will go for something. You can comfort yourself by saying that goods of the most desirable kind, which are in extremely short supply, and are very expensive, have become expensive to good purpose. Many sources such as fees from currency exchanges, taxes on imports and exports, on profits, income from floating internal state loans, duty, property tax, land tax, investing fund fees, income taxes, etc., flow into all kinds of channels and end up feeding into the ocean of the budget.

However, if all of this is expended, it is not being wasted like water seeping into the sand. Expenditures are set at 94,510.9 billion rubles in the republic budget for next year. In fact, expenditures will be more than income taken in. It is well known to all that there are no sectors for which funds are not allotted in the budget and which are not benefited by it. Among them, we deputies have given ear to requests and needs regarding organizations and structures that are without means and resources other than the budget in these times of economic difficulty. Minister of Finance T. Abdiqadyrov squeezed in a word to good purpose at the session in his teaching about "babies who do not cry." Who knows whether it is justified or largess? It is clear in any case that with the sanctioning of the budget all the squabbling has been ended.

Deputy Sabdenov said that the amount budgeted for science, 549 million rubles, is two and a half times below needs, and quite justifiably asked the question: "Where are we going to get it from? Are we going to let science collapse?" If science does not develop we will not flourish. But how can we develop science without money?

We were not surprised at all by the words of I. Isabayev, equating today's policemen with partisans. He said this not in terms of their heroism or spirit. His evaluation

was in terms of the clothing they wear on their bodies and arms. Everything is threadbare, and the uniforms of times past are gone. They wear whatever they can get, and police officers looking like something just come out of the forest do not frighten law breakers and criminals. How can a guardian of order, who is on foot since his vehicle has broken down, face a thief or a crook in a spanking new car? Crime gets worse each day. The 3,059.2 million rubles appropriated for internal affairs divisions seem too little. How can the police arrest criminals in order to get parliament to change its mind? Is there no other way?

In order to get people to stay in the villages, living conditions there should not be lowered. If low paid teachers leave the villages, then they have to close the schools. Who is going to teach the children under such conditions? Let us not reduce supplementary payments paid to them, but rather increase them further. This is what deputy Yesentayeva asked for.

"New conditions, new structures have not been taken into consideration in the budget draft," said Q. Sultanov, minister of the press and of the mass media. And when he specifically noted the need for 926 million rubles in subsidies for his ministry, the Ministry of Finance seemed then to regard the request hardheartedly. It was requested that a supplementary appropriation be introduced to have reporters maintained in foreign countries and in friendly nations at the expense of the republic budget. The question of expanding the range of television transmissions was not discussed.

We would have our readers more worried about the state of the press media than about journalists. For that reason let us touch in more depth on thoughts and suggestions expressed in regard to it. Deputies A. Zhaghanova, Q. Smayylov, Sh. Murtaza and others stated the question very clearly.

"There is now considerable danger to the paper YEGEMENDI QAZAQSTAN, the pioneer Kazakh paper, the very first, and honored by the people," said deputy Sh. Murtaza. "Similar danger exists for KAZAKHSTAN-SKAYA PRAVDA, AQYQAT, MYSL and a variety of other papers and magazines. In spite of great difficulty, YEGEMENDI QAZAQSTAN has become the paper with the greatest circulation in the republic during the 1992 subscription campaign. It now circulates in editions of 200,000. However, a large circulation, that is, the selection of the paper by the people, creates its own problem. It is sadly the case that as circulation increases, losses increase. Whereas a ton of paper is now 10,000 rubles, God only knows how much it will be tomorrow. YEGEMENDI QAZAQSTAN needs 1560 tons of paper. At present prices that is 15,600,000 rubles. Some 5,400,000 rubles goes for Communications Ministry services, some 2,000,000 is spent on printing, and there are also editorial costs. For these purposes 26.5 million rubles a year are needed. Of this 5.5 million comes from editorial income. Of the 21 million rubles left and needed for operations, 1,304,000 only is appropriated in

the budget draft. What can we do but close the paper? If we close the leading paper which for 70 years has flourished together with Kazakhstan, what a disgrace this will be in the eyes of the world. If, the day after Kazakhstan achieves its independence, the house of the Kazakh press tumbles down, who will it honor?

This question, directed at the Ministry of Finance and at Parliament, will doubtless provide the broad masses with food for thought. The vast majority of those speaking mentioned that such things sicken the soul. If sufficient funding is appropriated, deputies will not then be crucified by a budget which is inadequate without such funding. If the budget increases, then appropriations will also become more numerous. What does this mean in practice? Deputy Chernov criticized the use of old methods in drawing up the 1992 budget. "Is there not the need, above all, to pay everything collected from the oblasts into a common treasury and then, like some gift-giving Santa Claus, to make appropriations as subventions? Thereby also an oblast would want a specific subvention, and we know that nine to 10 oblasts could get along without them. There is the need to determine the quantities of income arising from all the taxes levied on each oblast. If local budgets could be drafted without subventions, then we too could find ways of gaining an income. We have increased an excise tax from half a billion to one billion," the deputy said. Such proposals offered at the session have shown possibilities for filling gaps inflicted by shortage of financing.

The draft budget has been improved. Will it be able to withstand the severe trial of tomorrow's inflation, price instability and sudden blows? Only time will tell.

Head of Kazakh Nuclear Corporation Yazikov Interviewed

92US03384 Alma-Ata YEGEMENDI QAZAQSTAN
in Kazakh 22 Feb 92 p 3

[Interview with Viktor Grigoryevich Yazikov, president of the Kazakh State Nuclear Energy and Industrial Enterprises Corporation and Republic of Kazakhstan people's deputy, by Madiyar Zhaqyp, date and place not given: "The Peaceful Atom: Friend or Enemy?"]

[Text] By a decision of the Republic of Kazakhstan Government a Kazakh State Nuclear Energy and Industrial Enterprises Corporation has been formed.

It is true that when we speak about the atom, the Semey Testing Area and the Chernobyl disaster come to mind. There is nothing which can restore the health of persons damaged by them. Subsequently not a little money has been expended on them. This has become an extremely great hardship for our economy, which is barely getting by even without nuclear disaster. Bearing all of this in mind, when we speak of atomic energy we are in some respects a little cautious.

When the great structure called the Soviet Union crumbled, the fragments left behind in its place collected into

republics. While industries in the nuclear sector of this nation are spread throughout the entire Union, people know well that some are located in Kazakhstan. Whereas we previously heard of uranium miners and closed cities, only as rumor, today we are telling the truth. The All-Union Ministry of Nuclear Energy, which controlled everything, has been destroyed. And who now controls the industries where many people work? And, all in all, what will their immediate future be like?

Only recently, by resolution of the republic government, the administration industries, unions and organizations involved with prospecting for, producing and processing uranium, rare and precious metals were abolished and the Kazakh State Nuclear Energy and Industrial Enterprises Corporation (QATAO) formed. To answer some of the questions posed above, we have interviewed Viktor Grigoryevich Yazikov, president of the corporation and Republic of Kazakhstan people's deputy.

We asked him to touch first of all on the reasons for the formation of the new corporation.

[Yazikov] "It is no secret that the potential of industries in our republic coming under the control of the USSR Ministry for the Nuclear Industry is substantial," said the corporation president. "Our failure to put this potential into use at a time when today's economy is in a difficult state is something criminal. The industry plays a great role in the production of raw materials for the nuclear industry, and other rare metals, and, in turn, in the production of consumer goods. Whereas last year it produced 740 million rubles worth of consumer goods, by 1995 it will provide a product of 1.5 billion. Subsequently, after a few more years have passed, the figure will reach 2 billion rubles. To utilize this potential efficiently, it is necessary that the work of nuclear industries be coordinated and supported by the state. It is no accident that our corporation's name includes the word 'state.'"

[Zhaqyp] Consumer goods, that is a very broad category, be more specific...

[Yazikov] Industries in the nuclear sector are well equipped and they have the possibility to produce many products. No doubt it will be suitable to master processes close to basic production. At present a great deal is being done in the area of manufacture of mineral fertilizers. Mineral fertilizers being produced in the Caspian area, and the mining and chemical industries of Tselinograd are playing a great role in reducing the demand for the product. A factory in Serebryanka City has mastered the production of washing machines. It has been announced publicly that we have also mastered the production of toothpaste in Manggystaw in cooperation with Italy. Many other examples could be given.

[Zhaqyp] In any case, the basic work of the corporation, to be sure, remains the production of products connected with nuclear energy!

[Yazikov] It is well known that in accordance with changing times and in connection with reductions in nuclear armaments, demand for the raw materials needed for nuclear energy has been reduced. But without nuclear power real progress will be difficult. Use of that energy for peaceful purposes will continue in the future. This is no arbitrary choice, but the demand of the times. For that reason, it would be imprudent to pull back from everything hitherto produced. The ores required by nuclear energy must be produced according to need. This is necessary for the economy of our nation, and we must meet the future needs of friendly countries. The levels at which production will take place, this will be connected to demand. At the same time, this is not being done according to someone's authority; production is directed at fulfilling the needs of our own country, of the Republic of Kazakhstan.

[Zhaqyp] Up until today, we have kept secret what kind of raw materials or uranium is being produced at what place in our republic. We have been ignorant of how much damage this is having on the environment.

[Yazikov] This secrecy has not only greatly harmed the people but even the sector itself. Commercial and technological secrets are necessary. This is true for other sectors. However, excessive secrecy in connection with nuclear energy has given rise to useless rumor, and has alarmed the people. It has had a negative influence upon stable operations in the industry itself. There is no doubt that there is a certain amount of danger in the industry. To carry out proper safety measures in it the public must be informed.

At present the people know that where uranium is being produced in the republic, the industries and settlements involved in producing it are closed.

[Zhaqyp] Production and refinement of ores are carried out at a certain place. And it appears that a strict regime is maintained there. But are there not possible circumstances in the process of shipping the product which may perhaps harm the environment?

[Yazikov] Strict discipline is maintained in such work. It is carried out only with special transport and with particular caution. It must be remembered that ores of heavy metals will not spill out under very unexpected circumstances, for example, if the special transport were involved in an accident. This has been observed also in practice. A lot of idle talk is not necessary here.

[Zhaqyp] At present we are in an energy crisis. The amount of coal and oil produced are declining. Under such circumstances, tell us what you think the future will be for the use of nuclear power and for the building of nuclear electrical stations?

[Yazikov] The shortage of energy resources is well known to the people. No one has thought it up. The crisis is real. Production of oil and coal is becoming more expensive and resources are not unlimited. In comparison to energy produced from coal or oil, nuclear energy

is now two and one-half times cheaper. At a time like this nothing would be better than to use nuclear energy.

[Zhaqyp] However, what if we take into account the lessons of Chernobyl, from an economic perspective?

[Yazikov] Chernobyl is in all our thoughts. Chernobyl is a lesson no one can forget. However, it could have been prevented. I do not think it appropriate to reject the potentials of such a progressive sector after a single incident of such very serious consequences, whether it was due to carelessness of one person, or to still crude technology. The Chernobyl Power Plant was a product of the 1950s. Since that time nuclear energy, and science, have advanced and made progress. Nuclear energy plants to be built in the future will be built in accordance with special requirements, and will have to guarantee safety completely.

In this connection, a great many countries are devoting particular attention to this kind of energy. For example, 73 percent of energy used in France, 67 percent of energy used in Belgium and 24 percent of energy used in Japan will be from nuclear energy.

Since the discussion has moved to the environment, there is something else I want to mention. I absolutely do not wish to oppose one sector of energy production in Kazakhstan to the other. When coal has been burned to produce energy in a thermoelectrical station, practice has shown that 45 kinds of harmful elements are released into the air. Coal ash fills the land and pollutes it. We must not create a second danger while trying to protect ourselves from one disaster. However, whether we build nuclear power plants or not is up to the people. I want to recall to mind the fact that the United States has such a system. In order to build nuclear power plants there, the agreement of indigenous people, of the Indians is requested. Their views cannot be disregarded by either the Senate or by the government.

[Zhaqyp] When we talk about the environment, we cannot forget to discuss "burial" of radioactive wastes. What measures are being set in motion regarding this?

[Yazikov] That is a very important question. And it is a question which has still not been solved. Previously, radioactive wastes were taken to Qyrgyzstan and Chelyabi Oblast. They now refuse to receive such wastes. Up until now, our poverty has not given us the opportunity to bury those wastes properly. A great deal of money is going into this. We must solve this question in the future. And when we decide what to do, we must decide once and for all. We give full consideration to environmental requirements. This question must always be in our minds.

[Zhaqyp] The government has stated in its resolution on establishing the corporation that industries, unions and organizations prospecting, producing and refining uranium, rare and precious metals will come under it. Let us touch on those "rare and precious metals."

[Yazikov] We now intend to utilize mineral resources thoroughly, whatever they are. It is well known that rare metals are found in uranium deposits. There is no point in stressing once again that such metals are often found in Kazakhstan. This fact is above all connected with the composition of ores. The metals begin with technologically important beryllium, scandium, diamonds, cadmium, bismuth and silver, and include aluminum.

Something else to be mentioned in this connection is the fact that it is logical that the production orientations of several industries will change in connection with production conversion. It is possible that some industries will be adapted to the production of the above mentioned metals. For that reason some industries once involved with the production of nuclear raw materials cannot be "left in the lurch," and their production potential will be devoted to the good of the people.

[Zhaqyp] What will be the structure of the recently formed corporation?

[Yazikov] It will organize its work along lines set by the Kazakh parliament. It will carry out a uniform economic, scientific-technological and financing policy in prospecting for, and processing uranium, and likewise rare and precious metals. So far, 15 industries, unions and organizations have become part of the corporation. They have preserved their individuality.

[Zhaqyp] Components of the corporation were formerly part of all-union ministries. They had close production and scientific-technological connections with other structures of the Soviet Union. At what levels will such connections now function?

[Yazikov] To break such connection would require a multi-lateral decision. We cannot hide the fact that in this area we play the role of raw materials region. We do not utilize nuclear energy a great deal in the people's economy. If we expand its scope in the future, we will certainly need production and scientific-technological connections with friendly countries. As we preserve our independence, we must deepen such connections in the interests of the republic. It would be appropriate not only to develop connections with friendly countries, but with other countries which have developed nuclear power.

[Zhaqyp] In touching upon connections with foreign countries, another question emerges. It is well known that there are considerable nuclear energy resources in our republic. Will it be possible to sell these resources to foreign countries in the interests of our state?

[Yazikov] There was an announcement at a press conference held only recently that there has been resistance to the very idea of trade between the Republic of Kazakhstan and foreign countries in connection with nuclear energy. There should be resistance to such ideas. However, this should not mean that the rights of the Republic of Kazakhstan as an independent country will be limited. Uranium ore and its products produced in

our republic have previously been sold to foreign countries, to the U.S.A., for example. They were sold in the name of the USSR. That is to say, this was done at the initiative of others. If such sales now take place with the participation of MAGATE, the international organization controlling nuclear energy, in a sophisticated way, we will be utilizing the riches of our land more widely for the benefit of the people. There will, to be sure, be demand for such products.

[Zhaqyp] All-union ministries have been abolished. Industries under them have been unified under the republic corporation. What have we gained by this, and what have we lost?

[Yazikov] When one destroys what is established, there is difficulty. That difficulty is our loss. Overcoming difficulty will take time. But what we have gained is a great economic and industrial-technical potential which is now serving the interests of the republic. We are controlling what directions work is to take, what areas of production are to be limited, what is to be developed according to the needs of our own republic. This is no small gain.

Financial Activities of Former Communist Party Reported

92US0366B Moscow ARGUMENTY I FAKTY
in Russian No 13, Apr 92 p 5

[Report: "Communists' Money Found...in the Bank"]

[Text] The question as to just where the money of the deceased Communist Party of Kazakhstan is nowadays can already be answered definitively as follows: It is in certain commercial structures or institutions. According to information furnished by the republic-level newspaper YEGEMENDI KAZAKHSTAN, during the years 1989-1991 the Central Committee's Administration of Affairs, as well as the oblast, city, and rayon communist committees, set up 59 analogous structures. And they allocated 60 million rubles [R]—which at that time was a very considerable sum of money—to these structures.

During the summer of 1990 the Communist Party of Kazakhstan Central Committee became the founder of the commercial Kompartbank and deposited more than R31 million in it. The CPSU Central Committee Administration of Affairs shifted another R100 million to its deposit accounts. After the Communist Party was dissolved, this bank changed its signboard several times and now bears the name "Taymbank."

Substantial sums were allocated to the Medeu, a joint-venture with Yugoslavia, to the small enterprise named "Biaks," and to the Alma-Ata commercial television channel. A portion of the "communist" money became the property of the Socialist Party of Kazakhstan. Prior to December of last year R47,000 were given out by a generous hand to pay the socialists' salaries, another

\$1000 went to cover expenses of delegates to a plenum and an identical amount was spent on trips for official purposes.

Nazarbayev Effort To Reduce Bribery of Officials Outlined

921 ND4664 Moscow LITERATURNAYA GAZETA
(in Russian No 14, 1 Apr 92, p 2)

[Article by Aleksandr Samoylenko, correspondent "Ordered To Become Honest: State Service Officials in Kazakhstan Categorically Prohibited To Take Bribes—Even Small Ones"]

[Text] The times of the unanimous approval of "wise decisions" have sunk beneath the waters of the River Lethe. In commenting upon N. Nazarbayev's ukase on stepping up the struggle against organized crime and corruption, the "comrades" are exulting. The moneybags will be stripped bare! The gentlemen are indignant. This is a constriction, a slipknot strangling market-type relations! The skeptics say with malice and irony: Instead of real security, they have "measures on stepping up" again. The state officials themselves urgently complete declarations and explain what is a gift and what is a bribe.

A. Bruksman, this republic's deputy procurator general, does not think that the aforementioned ukase casts doubts on any reputation. Of course, there is nothing specific yet. But what about the reputation of the apparatus as a whole? Everybody knows that this republic has new power structures, new service personnel, and new administrative heads. And suddenly you are told: Don't take gifts, put declarations on the desk. Well now, have they started to worry already? Or is the ukase just a presidential measure?

"Some of one and some of the other," says Yu. Obryadin, chief of the state-law division of the president's apparatus. "The need for honest people is desperate. Privatization has given rise to a 'ninth wave' of bribery, every official with the rank of 'Six' feels himself to be a king. For example, in order to obtain a certificate or meet with a convicted person, it is necessary to 'cross the palm' of some clerk or escort."

Yes, everybody knows that. Wherever you stick your nose, you have to give something. But...

"There are no criminal cases involving corruption," A. Bruksman attests. "In recent years the courts have been afraid to hand down decisions in cases involving officials."

And so we have the dominance of corruption as well as the ukase on the struggle against it, but there are no criminal cases or juridical decisions.

We cannot fail to note that, despite the extremely harsh general tone of N. Nazarbayev's ukase, the fine Russian word "vzятка" [bribe] is very carefully avoided. Why (and this is stranger) talk about "gifts" accepted in the

course of carrying out one's duties? Here we were instantly drawn into a fascinating conversation with our interlocutors about what constitutes a gift and what—a bribe.

TAJIKISTAN

Dushanbe Mayor's Arrest Protested

921 SD414 Moscow NIZHNEVOLTAJSKIY GAZET
(in Russian 22 Mar 92, p 3)

[Article by Oleg Pankov, "In Order To Defend Their Mayor the People of Dushanbe Took to the Streets. The City Soviet Session Was Exceptionally Brief"]

[Text] Only once, on 11 March, had the attorney of Dushanbe Mayor Maksim Ikromov, who was arrested on 6 March, been allowed to meet with the defendant. The attorney's requests that he be permitted the daily interviews provided for by law were politely turned down and on 16 March he was forced to write a complaint to Nurullo Khujaydulloyev, prosecutor of the republic, a response to which has still to be obtained. Only the arrival of Yuriy Shmidt, chairman of the Russian Lawyers Committee in Defense of Human Rights, who had taken up Ikromov's case on the recommendation of Anatoliy Sobchak, were the doors of the National Security Committee's special investigation block opened. Following an interview with the defendant, Yuriy Shmidt agreed to answer just one question of the NIZHNEVOLTAJSKIY GAZETA correspondent, declaring that he had taken up this case convinced of its underlying political motives. The well-known lawyer had already communicated this to the most important international civil rights organizations, including Amnesty International.

It had become clear from interviews with Ikromov's wife, which have been published in several newspapers, that the mayor's apartment had been searched three times and aside from money (approximately 10,000 rubles, \$2, and 96,000 rials left over following a trip to Tehran), a rug, a Japanese television receiver with a video deck, 20 cassettes, and a tape recorder had been confiscated. As ascertained, there were neither valuables nor gold in Ikromov's apartment. The rials which were found are the equivalent of \$60. Nonetheless, the city filled with rumors of "Ikromov's wrongdoing."

On 22 March the Democratic Party of Tajikistan staged a mass meeting in defense of Ikromov. Having applied 10 days ahead of time, as specified by law, the democrats were categorically refused. But more than 5,000 supporters of the Democratic Party of Tajikistan gathered outside the capital's Theater of Opera and Ballet. As the meeting took place, they were filmed by video cameras from the windows of the theater and the hotel situated alongside. The militia did not intervene. But at the conclusion of the meeting six organizers were called over to a vehicle and driven to the Zheleznodorozhnyy Rayon Internal Affairs Department. Following the compilation

of a report and explanations. People's Judge Nikolay Smola surprisingly appeared (it was a Sunday) and drew up an order for a fine on the spot. The democrats stated that the lawyer was not competent to bring charges outside of a court of law, and after having been detained for seven hours, they were left in peace.

The morning of 23 March began differently. A special session of the city soviet, at which it was contemplated appointing a new city soviet executive committee chairman, had been scheduled this day for 1500. The square in front of the Supreme Soviet building was reminiscent of city militia exercises, the guardians of order approached people sitting on benches and herded them with nightsticks into buses. Rustam Safolov, a resident of Dushanbe, says, "I was walking by, saw the old people, and went up to them. Then militia officers appeared. They began to beat the old men with rubber truncheons. One had his head bloodied, and I was grabbed also and shoved into the bus. At the militia department we were put into different rooms, and the militia shoved us beat us with nightsticks, and kicked us. Then we were taken to court, where the judge fined everyone 50 rubles." K... an elderly man of about 70 recounted that he had been beaten by nightsticks and "horribly de... the militia bus. As was ascertained, approximately... sons who had been in the square at that time were... ed, at least. They were charged with breaches of public order. At 1500 the venue of the city soviet session was suddenly changed, the city deputies met in the Supreme Soviet building. Only a correspondent of NEZAVISIMAYA GAZETA and two local journalists succeeded in penetrating the carefully guarded building. The correspondents of TRUD, GOLOS UKRAINY, INTERFAX, POSTFACTUM, and independent republic papers were not admitted. Appeals to the city prosecutor that the Press Act be observed were to no avail.

The session was exceptionally brief. The two or three deputies who tried to demand the presence of Maksud Ikromov were adroitly reassured by Firuz Ulmasov, former secretary of a Communist Party raykom who was presiding at the session and who called on Narzullo Dustov, vice president of the republic, to speak. Speaking of Ikromov's crimes and referring to documents of the prosecutor's office, Dustov nonetheless did not answer the question of Deputy Vadim Shukurov as to whether it was legitimate to speak about the mayor's guilt before a trial. Makhmudov, chairman of the Legislation Committee, referring to an article of the Republic of Tajikistan Code of Labor Laws which deals with a violation of labor discipline, presented the explanations on whose basis the deputies were to vote for the removal of Ikromov from office. By majority vote the deputies dismissed Ikromov. During the break a NEZAVISIMAYA GAZETA correspondent asked Firuz Ulmasov, who presided at the session, on what basis two employees of the National Security Committee from the president's security force were manning the voting system computers. He obtained no intelligible answer.

The frame of mind of the deputies, however, was not up to much. Just two months ago they had supported their city soviet chairman, now they had deprived him of a job almost unanimously. In the same way they supported by majority vote the new chairman of the city soviet executive committee, Mirzotemur Mirzoyev, leader of the abolished Ministry of Foreign Economic Relations.

In his speech Safarali Kendzhayev, chairman of the Supreme Soviet, castigated the "slandorous articles in IZVESTIYA" and other papers. "We are building a democratic state," the leader of parliament said, "and we will not permit ourselves to be abused." IZVESTIYA and the weekly ZHIZN have already been deprived of their premises by a public reception room in the Supreme Soviet building, and SOMON, the newspaper of the Tajik Language Foundation, has received a warning about closure. In the morning of 21 March Dodedzhon Alovalla, editor of the weekly CHAROGHI RUZ, was shot at from a small-bore firearm from the window of an apartment.

The demonstration of the Democratic Party of Tajikistan in defense of Ikromov and its chairman Shodmon Yusul was not that effective without the support of the Islamic Revival Party, it is the month of Ramadan, during which orthodox Muslims must not become involved in discord. But, to judge by everything, new mass meetings may be expected at the end of the fasting on 3 April.

TURKMENISTAN

Defense, National Security Posts Filled

921 S0312B Ashkhabad, TURKMENISTAN in Turkmen
29 Jan 92 p 1

[Four Decrees Signed By S. Niyazov, President Of Turkmenistan]

[Text]

(1) On appointing comrade D. Kopekov to the duty of Minister of Defense:

We are appointing comrade Dangatar Kopekov to the duty of Minister of Defense of Turkmenistan.

[Signed] S. Niyazov, president of Turkmenistan

[Dated] 27 January 1992, Ashkhabad

Dangatar Abdyevich Kopekov

He was born in Ashkhabad in 1933 and is of Turkmen nationality. After graduating from the Chardzhou Pedagogical Institute in 1954, he began to work. He worked as a teacher in Krasnovodsk Oblast and Ashkhabad City secondary schools for close to five years. After finishing a special course, he served for close to 30 years in state security organs. He went through the ranks of the TuSSR

State Security Committee as a junior officer, then as deputy chairman of the committee, and then to the duty of first deputy chairman.

In 1991 D. A. Kopekov was appointed chairman of the TuSSR KGB.

For his services during his period working in state security organs, he was awarded many state medals, including awards for service in battle.

(2) On appointing comrade B. Kh. Niyazov to the duty of first deputy Minister for Defense of Turkmenistan.

1) We appoint comrade Begjan Khekimovich Niyazov to the duty of first deputy Minister of Defense of Turkmenistan.

2) We must consider the time comrade Begjan Khekimovich Niyazov served in court, party and state organs as true military service and add this period as lawful service in the officer corps.

[Signed] S. Niyazov, president of Turkmenistan
[Dated] 27 January 1992, Ashkhabad

Begjan Khekimovich Niyazov

He was born in the city of Krasnovodsk in 1947 and is Turkmen by nationality. He completed the Nebitdag Petroleum Technical School, then graduated from Turkmen State University in juridical studies.

He began to work as an oil and gas extraction operator at the Nebitdagnebit oil and gas administration. Then he worked as a probationer, then peoples judge at the Krasnovodsk City Court. In 1976 he worked as a peoples judge at the Cheleken City Peoples Court. From 1979 to 1982 he was a member of the Supreme Court, and then was engaged in party work. From 1987 to 1990 he was a member of the republic Supreme Court. In 1990 he was appointed to the post of deputy Minister of Justice of the TuSSR. Since 1991 he has been chairman of the council for coordinating the work of law enforcement organs of the President of Turkmenistan.

(3) On the appointment of comrade A. Soltanov to the duty of deputy Minister of Defense of Turkmenistan.

We appoint comrade Annamyrad Soltanov to the duty of deputy Minister of Defense of Turkmenistan.

[Signed] S. Niyazov, President of Turkmenistan
[Dated] 27 January 1992, Ashkhabad

Annamyrad Soltanov

He was born in the village of Ilari in Turkmengala Rayon of Mary Oblast in 1943 and is Turkmen by nationality. In 1961 he began working as a livestock specialist. After graduation from the Turkmenistan Agricultural Institute in 1969, he was called into true military service. In 1971 he was sent into cadre service in the Armed Forces. In 1973 he graduated from the Tashkent Higher Military School.

From 1974 to 1977 he was a student at the M. V. Frunze Military Academy. Later he became a section deputy chief in the organization staff of the limited contingent of USSR Armed Forces in Afghanistan, regimental commander, brigade commander, then commander of a study regiment and military advisor in the Cuban revolution, military commissar of Jizak city in Uzbekistan, and military commissar of Sovet Rayon of Ashkhabad city. In October 1991 he was appointed military commissar of Turkmenistan.

A. Soltanov has many state medals.

(4) On appointing comrade A. Ovezov Chairman of the National Security Committee of Turkmenistan.

We appoint comrade Allahshukur Ovezov to the duty of Chairman of the National Security Committee of Turkmenistan.

[Signed] S. Niyazov, president of Turkmenistan
[Dated] 28 January 1992, Ashkhabad

Allashukur Ovezov

He was born in Goyshut village of Kaka Rayon in 1933 and is Turkmen by nationality. In 1956 he graduated from Turkmenistan State University as a geologist. From 1956 to 1966 he worked in various positions in the system of the republic Geological Administration. From 1966 to 1971 he worked in party organs. After graduating from the higher school of the State Security Committee in Moscow in 1972, he worked in the State Security Committee of Turkmenistan. Later he became chief of the Ashkhabad Oblast organization of this committee, since 1983 he has been chief of the Mary Oblast administration of the State Security Committee and deputy of the Mary Oblast Soviet of Peoples Deputies.

A. Ovezov has state awards.

Appointees To Presidential Council Named

92US03124 Ashkhabad TURKMENISTAN in Turkmen
14 Jan 92 p 1

[Office of the President of Turkmenistan: "Three Decrees On Appointments To The Presidential Council"]

[Text]

(1) On appointing comrade G. M. Orazov to membership in the Presidential Council Of Turkmenistan.

We have appointed comrade G. M. Orazov to membership in the Presidential Council of Turkmenistan.

[Signed] S. Niyazov, president of Turkmenistan
[Dated] 11 January 1992, Ashkhabad

Gurban Myradovich Orazov

He was born in Bayat village in Khovat Rayon of Tashkent Oblast in 1941. Turkmen by nationality. He graduated from the Agricultural Institute of Turkmenistan.

After finishing school in 1959, he worked at the Kuybyshev kolkhoz in Sakarchage Rayon. Following studies at the Agricultural Institute he worked as chief agronomer at the "9 Ashkhabad Commissars" sovkhoz. Later, he became director of the "Road of Leninism" sovkhoz. Then he became chairman of the Magtymguly kolkhoz in Gavera Rayon. In 1983 he was appointed to the directorship of the "40th Anniversary of the Komsomol" sovkhoz-technical school in Kirov Rayon. From 1985-1990 he was engaged in party work. In 1990 he was elected to the Mary Oblast Soviet of Peoples Deputies. He has state prizes.

(2) On appointing comrade P. Odayev to the Presidential Council of Turkmenistan.

We have appointed comrade Pirguly Odayev to membership in the Presidential Council of Turkmenistan.

[Signed] S. Niyazov, president of Turkmenistan

[Dated] 11 January 1992, Ashkhabad

Pirguly Odayev

He was born in Beshir village in Khojambaz Rayon of Chardzhou Oblast in 1947. He is Turkmen by nationality. He graduated from the Agricultural Institute of Turkmenistan.

He began his working life at the "Pravda" kolkhoz in Khojambaz Rayon. After graduation from the institute he worked as chief livestock expert at this kolkhoz. Then he worked at the agricultural administration at the Khojambaz Rayispolkom. Beginning in 1977 he headed the Chardzhou administration of Turkmen-glavzhivprom of the TuSSR Ministry of Agriculture. From 1983-1988 he was engaged in party work. From 1988-1991 he was deputy chairman of the Chardzhou Oblispolkom. Beginning in February 1991 he became deputy chairman of the State Planning Committee.

(3) On appointing comrade R. Pukhanov to membership in the Presidential Council of Turkmenistan.

We have appointed comrade Rejebmamet Pukhanov to membership in the Presidential Council of Turkmenistan.

[Signed] S. Niyazov, president of Turkmenistan

[Dated] 11 January 1992, Ashkhabad

Rejebmamet Pukhanov

He was born in Akguy village in Krasnovodsk Rayon in 1951. He is Turkmen by nationality. He graduated from the Agricultural Institute of Turkmenistan.

After graduation in 1972 he began his working life as senior economist at the Lenin kolkhoz in Krasnovodsk Rayon. Between 1972-1974 he headed the kolkhoz

affairs department at the Krasnovodsk Oblast agricultural administration. From 1980-1983 he was an instructor at the party obkom. In 1983 he became chairman of the ispolkom of the Avenguly Rayon Soviet of Peoples Deputies. From 1985-1990 he was engaged in party work. In 1991 he was elected chairman of the Balkan Oblast Soviet of Peoples Deputies.

UZBEKISTAN

Tashkent Aviation Association Highlighted

924408494 Moscow GRAZHDANSKAYA AVIATSIYA in Russian No 12, Dec 91 pp 24-26

[Article by V. Lamzutov, GRAZHDANSKAYA AVIATSIYA correspondent: "The 'Ils' Are Born Here"]

[Text] I recall a cold and rainy November evening in 1987. Splashing through puddles, illuminating the houses with their foreboding bluish emergency lights, and resounding through the neighborhoods with their sirens, ambulances from the Military Clinical Hospital imeni N. N. Burdenko raced to one of the military airports below Moscow. The newest Soviet military mobile hospital, the "Scalpel," installed on the Il-76MD aircraft, was due to land there. We were rushing to meet the wounded soldiers who were evacuated from the war.

The flight from Kabul was finally home. The engines stopped. I approached the aircraft together with the doctors. Special containers were attached on the tail end of the aircraft and along its sides with thermal missiles, decoys for "Stinger" missiles. The cargo bay doors opened and we entered a huge hospital with wings—a flying operating and revivification facility which proved to be highly effective in treating the wounded.

I remember that the first thing I uttered was a question: "Where was this airborne hospital built?" There was no answer. Just five years ago to give the address of this large enterprise of the aviation industry (to say nothing of visiting it) was regarded as divulging a state secret. Only now has it become possible to talk in detail on the pages of this magazine about one of the "secret facilities"—about the Tashkent Aviation Production Association imeni V. M. Chkalov (TAPCh), which, by the way, is where the principal cargo aircraft used by Aeroflot is made—the Il-76TD.

This plant has a vivid and complex history, not a simple biography. It undoubtedly deserves a more detailed description. We, however, will dwell only on a few of its historical highlights and acquaint the readers with aircraft that marked various stages in the history of this plant.

This plant has existed since June 1932 and until the autumn of 1941 was located in the Khimki District below Moscow. It was designated as Number 84: this is how for many years all secret industrial facilities were designated. It was specifically here that the ANT-9

Lupolev aircraft was "transformed" into a propaganda tool and named after the *KK OKODIL* magazine. It formed a part of the well-known aviation squadron imeni M. Gorkiy. In those years outstanding designers worked at the plant including N. N. Polikarpov, V. M. Myasishchev, and V. F. Bolkhovitinov. Professor V. I. Levkov designed the Li-1 and Li-5 boats on an air cushion here.

The enterprise was given the name of Valeriy Pavlovich Chkalov on 25 October 1937. Soon after that Boris Pavlovich Lisunov was named the chief plant engineer. It was specifically he together with Vladimir Mikhaylovich Myasishchev who did so much to start the series production of the DC-3 aircraft purchased from the Americans. At first it was produced under the designation PS-84, and later, at the request of plant workers, it was named the Li-2 in honor of Lisunov.

When the war came close to Moscow a decision was made to evacuate this enterprise. Seventeen railway trains were brought to Tashkent with equipment (996 cars), more than 8,000 highly skilled plant workers with their wives and children were transported. As early as 7 January 1942 the plant was able to yield its first production—the Li-2 (PS-84) aircraft and by that summer initiated the production of bomber aircraft.

From 1954 to 1957 the plant produced the Il-14 passenger aircraft. (By the way, two aircraft—the combat Li-2 and the passenger Il-14 aircraft were mounted on pedestals on the territory of the enterprise.) In addition to that, "cargo haulers" of the Special Design Office imeni O. K. Antonov were made here: the AN-8, AN-12, and later, the giant An-22 "Antey" as well. Nikolay Ilyich Kamov's Ka-22 rotary-wing aircraft was also made at the plant during those years. It was tested by the well-known test pilot, Extra-Class Pilot, Hero of the Soviet Union Yuri Aleksandrovich Garmayev.

It should be noted that the Tashkent Aviation Plant was always lucky with its leaders. From 1939 to 1947 it was headed by Major General of Aviation Afanasiy Mikhaylovich Yarinin—an excellent specialist who graduated from the Military Aeronautical Engineering Academy imeni Professor N. Ye. Zhukovskiy. L. A. Guskov was director of the plant during the time when production of the new Il-14 passenger aircraft was being established. During the period when the AN-8 and AN-12 aircraft were being assimilated the plant was headed by the highly erudite S. I. Kadyshchev, who had the great knowledge and talent of an outstanding leader.

The successes of the plant, naturally, can be explained not only by the gifted nature of its leaders. Tens, hundreds, and thousands of workers at different levels contributed creativity and research to the production of new aircraft and the systematic development of the plant. Let us name just some of them. They are, first of all, Chief Engineer, and subsequently, Director and now Hero of Socialist Labor K. S. Pospelov, Chief Production Engineers G. G. Kanter and N. U. Stasenko, Chiefs and

Heads of Production P. I. Krusevin, M. A. Kandaurov, G. V. Melnikov, A. Ye. Ayrapetov, Deputy Director for Material-Financial Questions P. I. Sadymenko, and Deputy Director for Capital Construction E. S. Kacharov. Chief metallurgists of the 50's-80's N. A. Myshak and N. N. Cherkasov. Chief of the assembly operation technical department and subsequently Deputy Chief Production Engineer P. G. Khalturin. The recent Minister of Aviation Industry A. S. Sytskov served first as director of the assembly shop and then chief plant engineer.

Vasily Nikolayevich Zhuravlev, the current director general of the facility, devoted more than forty years to this production, where he rose from a fitter to the highest post. In the postwar years the design service was headed by Sier Babakhanovich Babakhanov, and then, for almost twenty years, it was led by winner of the State Prize of the USSR, Honored Engineer of Uzbek SSR Ivan Alekseyevich Polovnikov.

The Tashkent plant constantly collaborates with nationally known special design offices of S. V. Ilyushin (in production of the Il-14) and O. K. Antonov (in production of the An-8, An-12, and the AN-22 "Antey"). Beginning in 1969 the plant joined in the work on the new Il-76 heavy transport of the Special Design Office imeni S. V. Ilyushin.

The story of this association would be incomplete if we did not remember the Director General, Hero of Socialist Labor, holder of five Orders of Lenin, winner of the Lenin and State Prizes of the USSR, Candidate of Technical Sciences Viktor Nikolayevich Sivt. He came to the Tashkent plant in 1943, and his boundless energy and considerable organizational skills permitted him to rise through all levels of the service ladder in short order.

Viktor Nikolayevich surrounded himself with specialists who had a profound knowledge of their work and carried ideas and plans to their logical conclusion. The social sphere was also not forgotten. It was under him that the association constructed excellent guest houses "Golden Sands of Issyk-Kul" at Issyk-Kul, "Khumsan" in the mountains, and "Chinaz" on the Syr-Darya, the best preventorium-sanatoriums in the city, one of the best hospitals, and the Palace of Culture and Technology.

The association continues building using its own forces as before. That includes housing and nursery schools, a therapeutic facility with a swimming pool, a polyclinic, and women's consultation clinic, a vegetable storage unit and food warehouses, a Pioneer camp with room for 720 persons, and an auxiliary farm.

But let us return to the technical side of aviation technology produced by the association. In particular to the Il-76 aircraft. This aircraft was constantly modernized. The Il-76MD base model, for instance, has the following main parameters: maximum payload of 50 tonnes and a range with that payload of 4,000 kilometers. The Il-76 is one of the main cargo aircraft in the Aeroflot and is being successfully operated not only in the Union, but in many

other countries of the world as well, including Algeria, India, China, Korea, Cuba, Libya, and Syria. This year the aircraft will be delivered to Egypt as well.

The excellent takeoff and landing characteristics of the Il-76TD aircraft allowed Master Pilot of the Special Design Office imeni S. V. Ilyushin, Honored Test Pilot of the USSR, Hero of the Soviet Union Stanislav Bliznyuk to carry out a unique flight in August 1991 to the Antarctic and evacuate to the continent 156 polar workers and the crew of the diesel-electric ship Mikhail Somov which was trapped in the ice.

On the basis of the Il-76 the Tashkent association produces several modifications, including the Il-76K and Il-76MDK-11 (of two types) aircraft. They are designed for the training of Soviet and foreign cosmonauts and conduct of space experiments in a state of weightlessness.

At present the experimental design department of the chief designer is making a working design of the Airborne "Aybolit" medical complex on the basis of the Il-76MD aircraft which, after testing, will be turned over to the Soviet Children's Fund imeni V. I. Lenin. It will become invaluable in emergency medical treatment of children suffering in natural disasters, accidents, and catastrophes. The flying complex will be furnished with the newest medical equipment from Japan, Germany, France, and other countries. There is nothing similar to the "Aybolit" in the world.

Work is also under way for the creation of an aircraft (on the basis of the Il-76) for rescuing people involved in sea disasters and a modification of the Il-76P for use in fighting forest fires.

In addition to the production of various types of the Il-76 aircraft the association is doing a lot of work on other aircraft as well. The size of the wing of the An-124 "Ruslan" aircraft in the construction berth is astounding in its dimensions. The end portion of the wing represents a unique all-metal solid design 43 meters in length. The root chord is 13,620 mm. The wing torsion box is made of pressed panels of new aluminum alloys 28 meters long. The design of the joined portion (joint profile) of the wing consists of compression molded panels. This wing is equipped with efficient mechanization: slats, six flaps with an original design for lowering, as well as spoilers and air brake panels. Remote electrical aileron control is utilized on the wing.

Deputy Chief Designer Viktor Alekseyevich Khudasov, who accompanied me through the plant, described in detail and showed the equipment involved in production of the wing. We approached the container into which it was carefully packed for further transportation "piggy-back" on the mighty AN-22 "Antey."

I climbed up on to the building berths where a unique structure is assembled—the center wing section of the AN-225 "Mriya" aircraft. Its span is 22 meters, maximum height of the airfoil section is 2.4 meters and the

width is 7.4 meters. It weighs over 30 tonnes. It is also transported on a specially equipped AN-22 aircraft. Few probably know that the "Mriya" utilizes the wing from the An-124 "Ruslan" aircraft.

I also visited workshops where a new passenger airliner of local airlines, the Il-114 aircraft with two turboprop engines, is being born (we already wrote in detail about that aircraft in the March 1990 issue of our magazine). The Il-114 is designed for the transportation of 64 passengers over a distance of 1,000 kilometers. The high aerodynamic quality of the aircraft in combination with low fuel consumption of engines and a good load ratio of the airframe and equipment makes the aircraft economical to operate. One of the features of the new aircraft is the cockpit for a two-person crew equipped with digital avionics with color instrument indicators using cathode-ray tubes.

It is possible to name quite a few reasons which prevent a new aircraft from climbing into the sky. Suppliers, for example, undermine us by failing to deliver component parts on time. Even with the first series-produced aircraft, the Il-114, engines were not delivered for many months. The piloting-navigational complex was lacking for a long time along with other equipment. But I did not spot a look of confusion on the faces of plant personnel. On the contrary, they are confident that by the time subscribers receive this issue of the magazine, the first series-produced Il-114 aircraft will rise into the sky.

At the People's Museum of Combat and Labor Glory of the Tashkent association Nikolay Aleksandrovich Uryupin, deputy chairman of the museum council, showed me consumer goods produced here (at last year's prices some forty million rubles worth of them were produced). There are around forty items including: children's beds, serving tables, garden swings, tourist and camping sets, television antennas, garden wheelbarrows, metal canisters and thermoses, washers, roaster ovens, rubber catamarans, and walkers for tots, very popular "Antoshka" baby strollers, motorcycle windshields, coat hangers, and shower curtains.

A special shop for the production of "Aygul" and "Evrika" washing machines was built at the plant. I looked at all this wealth and, I must confess, did not feel too happy. I thought: what how could it be that no enterprise was found in our country which could produce coat hangers, garden wheel barrows, and garden swings? Is it worth it for us to be so wasteful as to squander such significant intellectual potential of the aviation specialists in such a worthless and callous manner? After all professionals of the highest class, producing aircraft capable of competing on the world market, have been gathered at the association. Would it not be better to utilize them in their direct specialty?

The sale of aircraft for export is advantageous today for both the government and the association. The latter gains an additional income from that in foreign currency. The economic effect is created by a difference

between the domestic and foreign prices. World prices for aircraft are four to five times higher than domestic prices. This occurs because our prices do not include expenses on design and production of experimental aircraft. Formerly they were covered through budgetary appropriations, in the same way as the creation of production capacities for their production. With transition to a market economy and in connection with the limited nature of the Union budget all these expenditures in the future will be included in prices and our domestic prices will approach world prices.

The Il-76MD(TD) aircraft, according to prices determined on the international aviation market, costs 50 to 60 million dollars. But because of the fact that a number of component parts are of a quality that is inferior to their foreign versions (the aircraft airframe is not inferior) it is sold at a price that is almost half the world price. (35 million dollars and cheaper).

Raising of the price for an aircraft and asking affluent purchasers to cover half the cost in foreign currency certainly must not be represented as if the association allegedly is trying to make a tremendous profit on this. That is certainly not robbery by a monopolistic enterprise, but simply a real need to remain above water, raise

the wages of workers, interest them in consumer goods acquired through barter, keep the specialist and aviation personnel, and insure development of the social sphere. But what is probably most important is not to lag in the technical field, have the possibility of obtaining the newest equipment and effective technologies and utilize achievements of science in order to insure expanded production.

What is the state of the association today with regard to production capacities and its possibilities? Does it have the possibility of expanding production of Il-76TD aircraft which enjoy a great demand and assimilating and starting the series production of the new Il-114 passenger aircraft? It is possible to consider that with the sharply curtailed state order a good opportunity will appear for the association to sell its products at "market" prices thereby rectifying its financial and material position.

I feel confident that the Tashkent Aviation Production Association imeni V. P. Chkalov, despite the difficulties that have formed, will inevitably survive and will not roll down into the pit of bankruptcy. To do that the enterprise has skilled managers, specialists, and workers who will revive it and return it to its former glory.

ARMENIA

Alternative Parties, Economic Situation Viewed

92US03334 Moscow *NEZAVISIMAYA GAZETA*
in Russian 28 Mar 92 p 3

[Article by Armen Khanbabayan: "A Lull in Politics, ChP's [extraordinary occurrences] in the Economy"]

[Text] **The prospect is even less attractive**

Contrary to expectations, when spring came to Armenia it did not bring with it an intensification of political activity. On the contrary, endless January and February meetings of the opposition, which had demanded the convocation of a constituent assembly and the creation of a coalition government, were replaced by a relative calm.

This is associated to a definite extent with the complication of the situation in Nagorno-Karabakh and around it, which compels those in power and the opposition to join together, deferring internal distribution priorities until later. In particular, on a recent evening, President Levon Ter-Petrosyan, went walking with one of the leaders of the Dashnaksutyun party, Grayr Marukhyan, speaking the language of official communication in an atmosphere of mutual understanding. Moreover, the president himself, having given the AOD [Armenian National Movement] its due at the organization's last congress, called upon his comrades in arms for a dialog and collaboration with the splendid forces of the opposition.

Moreover, certain indirect facts are forcing the proposal that Ter-Petrosyan, who some months ago was an opponent of the coalition and who had asserted that the opposition should not wheedle, but should force the authorities, should form a multiparty government, has now "ripened" completely for a discussion of this question with opposition leaders.

The problem, however, is that today the opposition is by no means burning with a desire to share with those in power the burden of responsibility, and that is easy to understand.

Azerbaijan's total transportation and power blockade of Armenia, which has been exacerbated by the closing of the Transcaucasus main line because of disorders in Western Georgia, has inflicted a heavy blow on the republic's economy. The lack of fuel has put in question execution of the spring sowing campaign and has caused the price of a liter of gasoline in Yerevan to exceed 30 rubles. The operation of transportation has worsened appreciably, and industrial enterprises that had begun to wake up from winter hibernation have found themselves threatened by a new stoppage.

Having become bogged down in endless verbose controversies and vote recounts, parliament in recent months has not actually managed to solve a single urgent

problem, and its role in the republic's political life is steadily rushing toward a significance of absolutely little magnitude.

All this has forced the president to publish a couple of days ago an Order on the Introduction in Armenia of the Regimen of an Extraordinary Economic Situation, the content of which permits it to be assessed as a fairly severe document.

From now on the republic's economy will be guided by an efficient staff, with Prime-Minister Gagik Avutyunyan in charge. The staff's decisions must be carried out at all levels. Moreover, the leaders of executive bodies have been given the right to release from work those persons who do not safeguard their work places under emergency conditions. All actions that can disrupt production are prohibited. It is clear that the latter can be interpreted quite broadly and puts in doubt the opposition's potential to organize any sort of action of dissatisfaction. Law-enforcement organs have been given the responsibility to tighten up the struggle with crime and to start monitoring life-sustaining facilities. Commissions that are called upon to see that material and financial resources are used correctly have been established.

At the same time rumors have crept about that the setting of norms for foodstuffs and speedy introduction of ration cards for bread and other commodities of first necessity can be expected. It would seem that the population, tired of contemplating the empty shelves at state food stores will accept these measures absolutely favorably.

Thus the dream of entering the civilized market as one independent state taken separately has withered. Considering that, despite the efforts of foreign intermediaries, the situation at the Armenian-Azerbaijan frontier has been heated up and the local press is publishing appeals by reserve officers to their colleagues to augment the ranks of the National Army that is being formed, a substantially less attractive future can be looming up before Armenia and the whole region.

Official Defines Role of Religious Affairs Council

92US03334 Beirut *AZTAG* in Armenian 6 Mar 92 p 3

[Text] Lutfik Khachatryan, the chairman of Armenia's State Council for Religious Affairs and a member of the Armenian Supreme Soviet, visited the offices of AZTAG on 4 March. Mr Khachatryan has been visiting Lebanon since last weekend as the invited guest of Catholicos Karekin II of the Holy See of Cilicia. So far he has had meetings with the heads of Armenian religious communities in Lebanon and visited various community institutions.

During our conversation with Mr Khachatryan, which lasted approximately 1 and 1/2 hours, the Armenian official spoke extensively about the work of the council he heads, its difficulties and plans as well as the general

status of religion in Armenia. He also spoke about religious communities and the newly emerging religious movements in Armenia.

Mr Khachatryan first stated that the State Council for Religious Affairs was created after World War II, that its original mission was to implement the communist policy with regard to religion, specifically to gain control over religious authorities and to make them serve the political interests of the totalitarian regime. He added, however, that today, as a government agency of an independent Armenia that has undergone a national rebirth, the council has embarked on a redefined mission within the framework of the new laws endorsed by Armenia's Supreme Soviet.

Mr Khachatryan noted that the laws of the Armenian Republic on freedom of conscience and faith form the legal basis of the council's work. He said that the government has drafted the bylaws of the council on the basis of those laws. He stated that the principal responsibilities of the council are to record religious communities who have applied for registration to the government, to help and to monitor their activities and to coordinate relations between the government and the religious communities.

He said that according to the law a religious community needs the signatures of at least 50 members for registration and that when a community satisfies the requirements of the law it is given the status of a "corporate entity." He stated that the state has based its relations with religions at the level of communities and not that of organized denominations. In this context the Armenian Apostolic Church is an exception; it is recognized in its structural entirety and enjoys complementary rights granted by law. Mr Khachatryan explained this by saying that after the horrible acts that communist totalitarianism committed against the Church of Armenia, the Armenian government feels obliged to pay special attention to the task of rejuvenating it.

Mr Khachatryan said that the council also monitors the activities of religious communities to prevent them from breaking the law. It also is responsible for defending the interests of the religious communities in case any government agency tries to limit the rights of any community or any other infraction of their rights occurs.

Finally, Mr Khachatryan said, the council acts as a link between the communities and the highest organs of government. Mr Khachatryan pointed out that the coordination of relations between the government and religious communities is of practical significance and that the council performs that function by acting as a mediator.

Commenting on the different religious movements observed in Armenia, Mr Khachatryan stated that, in addition to the Armenian Apostolic Church and the Christian communities (Catholics and the different branches of the Protestant faith), communities that adhere to different religions and philosophies have also

been registered with the government (for example Jews, pagans and Krishnas). However, these groups do not have too many followers or engage in extensive activities. He added that certain religious communities imported and steered from overseas often act as a cover for political infiltrations into Armenia. He said that in such cases there is no question of freedom of conscience or faith and that this is related to national security. Mr Khachatryan expressed the hope that armed with the law and national awareness, the people of Armenia will be able to foil the attempts of such groups "which have extensive experience in infiltration and which have very subtle methods of operation."

Mr Khachatryan concluded by saying that the council has a permanent interest in and pays special attention to the spiritual, cultural and internal administrative problems of the Armenian Apostolic Church. He added that the council is prepared to participate in the coordination of the administrative affairs of the Armenian Church if the Church authorities make any proposals or requests to that effect.

AZERBAIJAN

NKAO City Conditions Viewed

92US03114 Moscow IZVESTIYA in Russian Morning Edition 14, 17 Mar 92

[Article by Vadim Belykh, IZVESTIYA "Nagorno Karabakh: The Usual Horror of War"]

[14 Mar p 7]

[Text] On the Offensive—By Bus

The jingling bus, crammed to the limit with armed men, tore along the half-empty streets of Agdam. Every now and then it would toot its horn, and then the passengers, holding kalashnikovs, began to shout slogans in a chorus. Somewhere ahead the exchange of fire would flare up, then die away, explosions roared—this was the second day of the offensive of the Azerbaijani military forces against the Armenian village of Askeran, and a detachment of Home Guards was hurrying to join the attackers in their utterly peaceful carriage.

Pressed by the butt of someone's rifle on one side and the handrail on the other, I could not help but hang over Yusuf Badirov, the driver, who showed me a crumpled photograph without slowing down:

"This is my brother, Tofik. He was fighting here in the people's army. Hardly anyone survived in their mortar battery, but 10 of them are missing. I have come from Baku and I want to find my brother—living or dead. I have already been in combat, yesterday. To be sure, they gave me only hand grenades, but today I have an automatic rifle...."

Probably the Home Guards did not get into it that day. As it approached the positions, the bus was halted, and an order was given. The offensive had been stopped.

The exchange of fire began to die out, and only the "Hail" emplacement, hidden in a hollow, would from time to time stubbornly launch rockets that sped with a gnashing sound toward the hills where the roofs of a distant settlement were visible.

That was the end of another day in the Karabakh war, and the sides were already able to count their regular casualties—killed, wounded, prisoners. Askeran was never taken. The Azerbaijanis supporting the combat vehicles of the infantry and the armored personnel carriers managed only to put pressure on the firing point at the approaches to it and destroy two small Armenian villages—Nakhichevani and Khanabad.

The operation, conceived as a reprisal for Khodzhal, had failed.

They Are Not Warming Their Hands at the Fire

Every day the men collect by the Agdam branch of the people's front. They have come here from all over Azerbaijan for the bodies of their relatives who have been killed. Not many are successful. Most of those killed are in places which Armenian units now hold. These are mainly victims of the Khodzhal tragedy. Quite a bit has been said about the bloody assault of the little town near Stepanakert (Khankenda), but we will not find out soon what actually happened there that horrible February night. For the present, there are only more and more accounts by eyewitnesses to help at least in some measure to establish events.

"On 26 February, I was carrying wounded from Stepanakert and returning by way of Askeranskiye Vorota," says Major Leonid Kravets, deputy helicopter squadron commander. "Some kind of bright spots down below caught my eye. I went down, and at that point my flight engineer shouted: 'Look, those are women and children there.' Indeed, I myself had already seen about 200 dead bodies scattered on a slope, people with weapons roaming about among them.... Then we flew off and tried to collect some troops. We had with us a local police captain, I have forgotten his name. He found his four-year-old son there with his skull smashed and he became distraught. Another child, whom we managed to pick up before they began to shoot at us, had had his head cut off. I saw mutilated bodies of women, children, and old people everywhere...."

As was assumed, these were refugees from Khodzhal. An ambush was waiting for them somewhere about 800 meters from the advanced Azerbaijani posts. Only a little girl survived by some miracle....

Unbridled pillage and slaughter had already occurred by that time in the captured city. They broke into Murzat Mamedova's house at 0300 hours. By that time, her

husband was seriously wounded on the defense perimeter, and two older sons had been captured. They dragged her and her three younger ones out from beneath the bed, they killed her woman neighbor and the woman's daughter before her eyes, and then they began to ask and demand to be given money and valuables. After that, they were hostages. Then liberation. And the horrible destiny of refugees: with no roof over their heads, impoverished, endlessly awaiting news about the fate of dear ones who had been captured.... Such destinies cannot be counted.

In all, the Azerbaijanis estimate the number of their dead at Khodzhal at approximately 1,500. Mainly peaceful inhabitants, the hostages numbered another 700 or so. I was a witness: The refugees were coming to Agdam as long as 12 days after the assault, frozen and crazed, looking like skeletons.

And still there is quite a bit that is strange about this. The Armenian side gave notice of the upcoming attack almost a month in advance, but the Azerbaijani side did nothing to get the peaceful inhabitants out of the city. The military operation to breach the blockade of the surrounded settlement was postponed the entire time. Attempts to take out the population by helicopter were never even undertaken. As told by the fighters in Azerbaijani detachments defending Khodzhal who miraculously survived, well in advance of the bloody events they ceased to receive food, medicine, and ammunition. And on that night they had to meet almost with their bare hands an adversary attacking under the cover of armor. Inevitably, a terrible outcome lay ahead for both sides. And in this game hundreds of completely innocent people became hostages....

Heroes at God's Mercy

The thundering began again not far away.

"That must be the 27th?" said Rusan Gadzhiev, member of the board of the Agdam branch of the people's front of Azerbaijan, with a questioning look at me.

We were sitting in the evening on the first floor of the former Children's Creativity Center, which now has been turned into something combining a headquarters, a military storehouse, and a garrison, and while we talked we tried to count the explosions of rockets falling on the city in the darkness. In general, the shelling of Agdam has been methodical, with variation in intensity. But round-the-clock. Mainly "Alazan" and "Kristall" rockets. In peacetime, they were used to drive away clouds that threatened hail. Today, both sides are successfully using these weapons to destroy one another. Their killing and destructive force is not great, the mental pressure is terrible. None of the inhabitants of Agdam has any assurance that he will not be killed by an explosion the next instant or that the next "Kristall" will not fall on his house and destroy the modest property acquired over the years.

Everyone here in Agdam is taking part in a big and terrible lottery: now you win, now you lose...

"Believe me, we could have helped the people in Khodzhal." Rustam argues. "Both the forces and the opportunities were there. But the republic leaders wanted to demonstrate to the people—that we do not have the strength and to call once again for help from the army of the CIS [Commonwealth of Independent States], at the same time putting pressure on the opposition with the help of that army."

Time will show whether that is the case or not. Although there is growing dissatisfaction in Azerbaijan with the actions of their own national armed forces. In spite of all expectations, after the CIS forces temporarily stationed in Nagorno-Karabakh were withdrawn, the Armenians have not only repelled all the attacks of their opponents, they have even seized and destroyed a majority of the 54 Azerbaijani villages and cities in the former autonomous oblast. Once peaceful Agdam became a city on the front. Judging by the responses, the Armenian detachments are well-armed, disciplined, and rather well-trained. They are using crafty ambushes, snipers, and engineers who know their job.

Their opponents have nothing in particular to brag about. Podrazdeleniya of the Azerbaijani police, battalions of the national army, and armed detachments of the people's front have been operating on the Agdam front. All of these armed forces of different colors have armored personnel carriers, tanks, infantry combat vehicles, and artillery, and formally they are under a single command. In actuality, every squad leader with a dozen automatic rifles prefers to operate by his own lights, and little attention is paid to orders from above. The town is full of people in beautiful camouflage uniform, carrying automatic weapons, and with grenades protruding from every pocket, but still the dashing appearance is all they have in common with the military....

To the Front—By Taxi

The new morning began in besieged Agdam with a routine order from Colonel Mamedov, the city's commander: "Thirty days in the guardhouse for the attempt to take an arriving correspondent to combat positions." This was explained to me later: The reason for this severity was, first, concern about the safety of journalists, but, second, the fact that "80 percent of them are agents of various special services whose purpose is not to prepare stories, but to gather intelligence for Moscow and Yerevan."

But this order, like all the others probably, went unexecuted. Thanks to a favorable set of circumstances, the reporters (including me) were frequently able to reach the advanced posts by taxi and passing vehicles. And in astonishment to see the untrained soldiers squatting behind stones and sitting right in the snow in trenches, instead of terrifying fortifications. Soldiers unable (or unwilling) to even dig a primitive trench for themselves to provide at least some concealment from the bullets

flying from the other side.... More and more stupefying results of this kind of "tactics" are cropping up practically every day.

...When from a post near Karagay the Azerbaijani military saw two Armenian infantry combat vehicles [BMP] heading from the village Nakhichevani to Askeran, they opened fire immediately, because their own BMP were parked close by. They did not manage to score a hit, and the armored vehicles fired upon him behind a pig farm. But the interval in the exchange of fire proved short-lived. First, a helicopter circled the point of interception, and then the vehicle, when it came out of hiding, destroyed the post with its first shell; two Azerbaijani fighters were killed on the spot, two died later, and four were wounded. A horrible panic ensued. None of those who took part in that skirmish could give a clear account of what happened afterward. It seemed to them that they were attacked and shot at from all sides. And even a few days later, soldiers of the Azerbaijani army on duty here were afraid to approach the site of the tragedy. And so everything remained the way it was at that post: pools of blood, a tent riddled by shrapnel, disembodied hands lying around, glasses containing undrunk tea.

...Before the offensive against Askeran, as prescribed, a military bulldozer went ahead of the military equipment to clear the mines. But the driver-mechanic forgot to lower the special bucket. As a consequence, the armored machine drove onto two antitank mines at the same time with its crawler tracks. This put the machine out of commission, and its forgetful driver ended up in the hospital with both legs broken.

There are a multitude of such examples, but no one is learning from them, and so far the force with the greatest combat readiness here are still the armed detachments of the people's front of Azerbaijan, which consists mainly of local inhabitants or people from other parts of the republic who have lost relatives in Karabakh. But they are still unable to change the general picture.

And the top leadership prefers to attribute its military failures to the help of the former Soviet Army, to the Armenian units, and to certain foreign mercenaries....

Soldiers of Fortune

The four young lads sitting in front of me were confused, and the conversation sputtered at first. Indeed, I myself did not know what to call them: deserters, turncoats, simply refugees.... Pavel Zuyev of Sverdlovsk Oblast, Yuriy Lyakhovich from the Crimea, and Aleksey Bondarev and Pavel Natigyn, both from Penza. Former gun-layer-operators, former soldiers, of the now disbanded 366th Stepanakert Regiment. By design of destiny and commanders, they were thrown into the very center of the fiercest ethnic conflict....

"We came to the regiment from training in Samara," they related. "Actually, they had trained all of us there for service in Germany, but anyone who had any kind of illness was sent to the Transcaucasus. First, they had to

sign reports to the effect that they had no objections. And then—it began! The uniform was taken away, they were given instead a worn-out substitute. No bread, no salt, no letters from home. They slept on a bare mattress. In a year, they had been able to take a bath only twice. The entire regiment, from the last soldier to the senior commanders—was infected with lice. They had sores from the bites of the lice, and their feet were rotting. If you go to the medical section, they tell you: 'You will get treatment at home.' To get pills and injections, you had to pay. Civilians freely walked through the regiment, offered local self-distilled mulberry liquor and vodka. Where did the soldiers get money from? Well, the lads were in collusion with the sentries, they would 'steal' containers of cartridges, sell them, and then drink up the money. And so everyone in the unit was drunk—both soldiers and officers. There were continual fights. If you got in the guardhouse, you were in for a bad time. At night, the officers would come with sticks: They would beat you, force you to crawl on the pavement naked like a private in the cossack regiment, they would pour water on you in the wintertime. And you cannot imagine relations with the local people. When we fired on the city Shusha from tanks, everything was fine. Then the Armenians came to a checkpoint and shot a Kazakh soldier right in the eyes and wounded another

"The commanding officer of the 1st Battalion made some kind of an agreement with the commander of an artillery battery: As soon as they went on combat duty, they would pull out the equipment and tear out of Karabakh on their own responsibility and at their own risk. The regimental commander heard about this and relieved them of duty. But the soldiers still fled. There would be between three and five a day. Although this also was very hazardous. We ourselves know of two who took to their heels. And in a few days there was a report: A body was lying between Khodzhalah and Askeran—go get it. It turned out to be Aleksandr Gorokhov of the artillery battalion, they never even found his companion.

"Somehow, 11 men fled all at once. They went along the road carrying a white flag. They opened fire on them in Mardakertskiy Rayon. Only six managed to reach Agdam alive. The Armenians caught two other deserters and exchanged them back to the regiment for 800 liters of diesel fuel. They also shot at us, it is a wonder we escaped."

Since October, they had gone out from the regiment for combat watch at night. But only officers and regulars they trusted. Mainly mechanic-drivers, sometimes gunlayers. They would take their guns with them on the BMP and tanks. In the morning, they would come back drunk, and all their ammunition would have been used up. The soldiers said that first they drank with the men, and then, at their bidding, they drove toward Azerbaijani villages and fired....

This is the neutrality of the CIS army. What is more, there are also quite a few eyewitness statements to the effect that the combat equipment of the 366th Regiment

played a deadly role in the assault on Khodzhalah, providing fire support for the advancing Armenian detachments. To be fair, I should note that the military people do not experience any kind of particular sympathy for the belligerents. It is no more than a year ago that they raided the Armenians with the same inspiration in the vicinity of the villages of Getashen, Martunashek, and Voskepar. At that time, the Armenians did not note anything unnatural there

[17 Mar p 3]

[Text] **Good Friends in Uniform**

Camouflaged armored personnel carriers were concealed in the foothills of the mountain

"Who is that?" I asked the tall member of the Azerbaijan Home Guards who was accompanying me and who had ammunition belts strapped about his waist

"Our national army. Would you like to take a look?"

But we never managed to reach the mountain. A policeman with a pistol came flying to meet us, shouting wildly, and without ceremony turned us back. The distance, to be sure, was not so great as for us not to notice that the soldiers were mainly blond and conversed in Russian. It was explained to me later: This was a battalion of paratroopers that was supposed to cover the withdrawal of the 366th Regiment. It was because of it, I was told, that the Azerbaijanis halted the offensive against Askeran: They were afraid of an attack in the rear.

The airborne troops vanished just as enigmatically as they had appeared, but not without first crushing the foot of a Turkish journalist with the crawler track of an armored personnel carrier as they left. But then on a square in Agdam (at approximately the same time) I met a colonel in the tank corps whom I knew and who has the same first and last name as mine. He was in unfamiliar civilian clothing, had stationed himself at the elbow of the local leadership, and he concealed the enigma in his eyes. A day later we ran into him again, this time at one of the posts. The colonel (now in the uniform of the local Home Guards!) was taking a little sunbath and was happy to chat with me—with someone from the same place—about Moscow, about the weather. But he was restrained about what he was doing in the hotspot and merely remarked: "The boys here need help."

Although the colonel's "friends" were already providing solid help to the "boys" of both of the belligerents. The fact that both the Armenian and Azerbaijani detachments were now quite well armed is exclusively to be attributed to the former Soviet Army, which turned over to them (or sold to them for a song!) sizable stocks of their armament. And whereas even quite recently the Karabakh fighter had to pay five rubles [R] for an automatic cartridge on the "black market," and 10 for a machine gun bullet, today they are receiving them in unlimited quantities. For free. That is why the shooting

does not die out either in the daytime or at night. Only sometimes when the gunsmoke finally disperses, as sooner or later it does, hardly any of the surviving riflemen will say thanks to the "good friends" with the stars on their shoulder straps. ...

The Ducks Are Flying, So Are the "Wild Geese"

"...and suddenly I saw a woman who was six feet tall, all over in armor, with a weapon. The men were afraid of her," the narrator took a deep agitated breath at this phrase.

For the 17th time I listened to a legend from the endless serial called "The Armenian Mercenary." The topic of the foreign soldiers in the Armenian detachments disturbs everyone in Agdam and gives rise to the most varied fantasies and rumors. The imagination of every Azerbaijani soldier is to shoot a mercenary, and that of a journalist working in the forward positions is to take a picture of that dead man. Which accounts for the most improbable reports that come in: "In Shusha, they captured four Negroes;" "near Askeran, they killed another two blacks;" "they brought to Baku a body picked up in Karabakh. The autopsy showed that he was not an Armenian, nor an Azerbaijani, nor a Russian." To be sure, the most rudimentary check is usually sufficient to make it clear that the whole story is a pure forgery. Although one black man (mercenary?) evidently was killed as a matter of fact in combat. His body was exchanged for Azerbaijani hostages.

Soldiers of the former 366th Regiment also affirm: more than once in Stepanakert (Khankenda) they had seen foreigners with weapons and in military uniform. Many had themselves been offered a chance to enroll in the ranks of the Armenian fedayeen, guaranteed under contract R3,000 or R4,000 per month, plus all you could eat free, wine, and women....

Though the Armenian side has itself not taken particular pains to conceal that it is hiring foreign soldiers of fortune.

The Azerbaijanis meanwhile categorically deny that "wild geese" are operating in their units. But there are quite a few Chechen volunteers in Karabakh. And as a rule they send them in the most hazardous directions. From time to time, observers from South Ossetia also turn up on the Azerbaijani side. It is said that quite a few people have been coming to Agdam even from Russia wanting to take part in the war. Some for money, some simply because they want to. But the latter are sent back on grounds of principle.

On the other hand, there are journalists from all over the world working on the battlefield....

For Rubles and Dollars

"But still you must have a pistol?" the young Azerbaijani soldier asked, looking at me with sympathy.

"But actually I do not need it," I said shrugging my shoulders.

"No point. Still, it is war." The soldier thought a moment, then smiled, pulled a grenade from his pocket and held it out to me.

"For peace of mind. A present from me."

I did not take the grenade, but I was sincerely grateful to my new comrade—if only for the sympathy shown to a journalist from a country that had once been his as well.

Alas, CIS reporters present a rather pitiful sight in the combat zone by comparison with their colleagues working for the Western companies and agencies. Squeezed in the vice of the tight budget for travel, with primitive equipment, or else without any at all, they are second best to their well-off confreres in all categories.

However sad it may seem, they have far better knowledge abroad than we do about what is happening in Nagorno Karabakh, which is close to us. At present, domestic television broadcasts the opinions of the offices of the permanent representatives of Azerbaijan and Armenia in Moscow and not very up-to-date reporting obtained from Baku and Yerevan journalists. A man who turns on his television set in the United States or any European country sees events that occurred in our oldest "hotspot" just a few hours before.

The permanent crews of the foreign media are operating on both sides of the front. As a rule, the staff members are in armored railroad cars, they are insured for immense amounts, they have no problem about money at all, and thanks to satellite antennas they relay the most recent news to their customers several times a day. For all practical purposes, everything reaches the television screens, the newspaper columns, and the radio receivers immediately. They are always ready to pay generously for any information, for help. As representatives of one television company bragged, to get some impressive frames they had even managed to "purchase" a volley from a "Grad" installation for a substantial sum.

But journalists from all over the world also have an abundance of problems in common in Agdam. One of them is the utter reluctance of most local leaders of all stripes, concentrated in the combat zone, from the commander to representatives of the Azerbaijan Defense Ministry, not only to help the reporters, but even to talk to them. Regardless of where you come from, Moscow or Paris, it is only a matter of seconds before you encounter an insult. Exceptions might be made only for reporters from the person's own republic, Turkey, and Lithuania.

The Agdam branch of the people's front has proven to be virtually the only place where they have always tried to help outside journalists in spite of mistrust. That is where in the universal confusion near the front, regardless of your nationality, you could find a glass of hot tea, a good word, and at least some kind of information about what is happening around. And then also, however

strange it might seem, in the local branch of the security service and in the rayon procurator's office.

Tell Me Who You Are

"It is better not to walk the streets of Agdam without an escort," I was instructed as I left the State Security Administration in Gyandzha. "No, in general the attitude toward the Russians in our republic is good, you have seen for yourself, but where you are going, people have been under too much of a strain, the war has embittered them, and anything can happen."

But the fears proved to be groundless. Today, at least, a man's Slavic appearance in the zone near the front (at any time of day) does not arouse in the local inhabitants a burning desire to seize him at once. It is rather the other way around, I both heard good words, and I saw good deeds. And the proximity of the war takes the form of unending sorrow about a disrupted peaceful life.

I heard about "Russian imperialism" and the "Russian threat" mainly in official offices, from people invested with power. It was also from them that I heard new versions of events that were much talked of. For example, that practically no Armenians took part in the Khodzhal events, that all the atrocities were committed by the Russian soldiers of the 366th Regiment.

They suggested that I look at an armored personnel carrier that had been put out of action; alongside it lay what was said to be a corpse in a Soviet Army uniform. But an attempt to get to it and check it all out with the Home Guards unfortunately proved unsuccessful.

To be sure, there are also other extremes. For example, frequent stories about how a "Russian national company" of volunteers who live in Baku will soon arrive at the front.

But when you cross the threshold of the office into the street, you ordinarily do not hear any of this talk. People under fire have both other concerns and other problems.

A Train of Blood and Tears

In the railroad car that served as the operating room, they were trying to save the young nurse. The sniper's bullet that had gone all the way through her as she was bandaging a wounded man had left her with practically no chance. No miracle intervened: One more name was added to the immense list of those who have died in the Karabakh conflict.

I went back often to the medical train that did not move from its position near the Agdam station. That is where you could clearly see the real face of this cruel and mindless conflict. The member of the Guards whose guts were turned inside out by shrapnel. Frozen women refugees. A three-year-old with a bandaged stump instead of a foot shot off by a large-caliber machine gun. A young girl whose face had been cut by a knife...

Day after day, hour after hour, more and more coming in.

"Even we at home in Baku never suspected what was happening here," said Khandar Gadzhiev, chief of the medical service of the Azerbaijan Defense Ministry. "They sent our train here, because the local medical people could no longer handle the inflow of wounded. All the physicians are volunteers. They were prepared for anything, but even they were shocked."

We were sitting in a compartment of the mobile hospital, well-known from old films, and leafing through the admissions book. More than half of the casualties were peaceful inhabitants—women and children.... Bullet wounds, shrapnel wounds, knife wounds, frostbite.

The number of people suffering from frostbite was immense—as a rule, these were those same refugees from Khodzhal, who for a long time took refuge in the woods, and hostages returned from captivity. I saw how some of them had emerged from their trouble. Almost all were barefoot, they had already lost feeling in their legs after the long freezing days. After their liberation, many faced amputation. Their stories are incoherent and terrible. They talk about how they had dragged the policemen, the Home Guards, and soldiers from the crowd of those captured and immediately cut off their heads in front of everyone. How they kept them in the cold, how they raped them. According to the assertions from the Azerbaijani side, as a rule the girls taken hostage were not returned at all. They were immediately separated and herded off in an unknown direction. I do not know whether this is true or not. I do know something else. Now that the firing near Agdam has become particularly intense, many women have begun preparing to immolate themselves out of fear of a sudden assault. And a local physician, Malik Ismailov, was asked by his five-year-old daughter a question not at all that of a child.

"Papa, if it starts, first kill me and mama, and only afterward die yourself..."

I repeat, I personally have not seen how the Armenian prisoners are treated. In spite of all the requests, they have never let me get to them. I would like to hope they are not raping them, torturing them, exhausting them with cold and hunger. I would very much like

The war mutilates the living and gives no peace even to the dead.

From time to time, the bodies of one's own dead arrive in Agdam in exchange for living hostages. But this is something you do not see in a nightmare in your bed, eyes gouged out, ears lopped off, scalps removed, heads chopped off.... Several bodies tied together with a rope after being dragged over the ground for a long time behind an armored personnel carrier.... There is no limit to the humiliation. To be sure, the Armenian side is also distributing photographs from a village occupied (for a

time) by the Azerbaijanis. There again—corpses that had been burned, slashed with knives, mutilated by mindless mockery.

Does it even make any sense to calculate which of the two belligerent peoples is more bloodthirsty? The war is being waged in Karabakh without rules. What are called armies are actually accumulations of various people. Among them, those who are looking for their home, those who are avenging the death of someone close to them, and those for whom everything that is happening is only a pretext for looting, marauding, raping, and killing with impunity.

And the never-ending war is also destroying the future of this region which once was rich.

"In the patients who come to us, especially former hostages, we frequently note acute mental disorders," Khandar Gadzhiev, military physician, relates. "At first, we even thought that they had been given some kind of drugs. But it all turned out to be both simpler and more horrible at the same time. The children have experienced a most horrible nervous fear which probably will have irreversible consequences throughout the rest of their lives."

There are also other dangers. Thanks to the contents of the army storehouses, the warriors have also waged a war with minds in Karabakh. Both antipersonnel mines and antitank mines are now being laid intensively throughout the entire zone of the front. Once again, it is mainly the peaceful population blown up by them. In just the last hour I spent in the hospital, three such casualties came in: one died immediately, the other two will remain crippled. And these explosions will continue to thunder even years after this war.

But when will it end?

Today, in Agdam there is a portable radio tuned in to an Armenian radio of the same kind in Askeran. Over it, they agree about the exchange of prisoners, about removing the dead from the battlefield, about the constant meetings. There is also an omen: The airwaves are empty—expect shooting or an attack. For the present, this is the only real little thread connecting the two hostile sides. Perhaps at some point it will even help to begin real peace negotiations. Or will silence be more and more frequently the answer to the questions.

Round Table on Privatization, Economic Issues

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6 Feb 92 pp 1-2

[Round table discussion by various Azerbaijan republic economists led by M. Gadzhiev, date and place not given: "Privatization Alone... Leading Republic Economists Consider Whether the Economy can be Saved from the Inefficient Operation of State Enterprises Under Market Conditions"]

[Text] The socio-economic situation which has developed in the republic requires a more decisive shift of the economy to the market.

Liberalization of prices is ineffective without setting into operation such components of the market as free enterprise and competition. A basic change in the entire system of economic relationships with respect to the possession, use, and disposition of property is needed. The process of destatization and privatization, which has been called upon to solve so important a problem, is unfortunately proceeding spontaneously, without guidance, and out of control. The working out of a unified methodological approach to the principles, forms and goals of destatization and privatization is very urgent in this connection. This matter is totally new for us and therefore a substantial range of questions arises. The participants in a "round table" held in the department for the organization of the management of the economy of the service of the state adviser for economic policy of the staff of the President of the Azerbaijan Republic answer some of them.

[Gadzhiev] What is the republic's socio-economic situation and what are the specific steps in the execution of economic reforms?

[M. Ragimov, head of the department for the organization of the management of the economy of the staff of the President of the republic] In comparison with other countries of the Commonwealth of Independent States, Azerbaijan concluded 1991 with relatively better indicators, although on the whole the socio-economic situation leaves much to be desired. Many enterprises have cut production as a result of the non-observance of economic and labor discipline and of the exacerbation of relations between nations. Suffice it to say that as a result of the disruption of economic ties alone there was a shortfall in deliveries to it amounting to 1.3 billion rubles. Things are bad also on the consumer market. Inflation and the acute shortage of consumer goods are making an already low living standard worse. The drop in production in all sectors of the economy has led to a decrease in the revenues and an increase in the deficit of the state budget. As a result the republic has approached the execution of radical economic reforms with worse than ever production, financial and social indicators. Up to the present we still don't have the appropriate laws for the legal regulation of interrelations in the production, financial, banking, and foreign-economic spheres of activity. Therefore we are forced each time to follow the other former union republics with which our economy is closely tied.

Now we have a program for the transition period with specific time limits for the introduction of the elements of the market mechanism. It assigns paramount importance to measures for the destatization of property and the transition to the real equal co-existence of its various forms in law. Certain organizational work in preparation for privatization is also being carried out. In particular an edict (ukaz) of the President of the Azerbaijan Republic has recognized the advisability of transferring

the basic portion of the retail trade and public catering enterprises to the jurisdiction of local executive authorities. Questions of transferring domestic and municipal services and urban transport facilities to them are also being considered. Specific steps have been taken to hand over plots of land to the use of peasant (independent farmer) farms before the beginning of spring field work.

I would like to say something further: we will not achieve serious changes in socio-economic development without reorganization of the system of management and its adaptation to the requirements of market relationships.

[Gadzhiev] As is well known, property is the fundamental problem of the transition to the market economy. Hence the question: who is to be the owner, what should he be?

[Chingiz Isafil, adviser to the President of the Azerbaijan Republic (Turkey)] The free market economy is based on a calculation of so-called "financial risk." Every entrepreneurial decision or investment of funds, of course, entails risk and the return on investment in many spheres of business is proportional to its magnitude. A person must invest capital and risk even his own property in taking a financial risk.

[M. Ragimov] The main goal of destatization and privatization is to create a mixed economy where there will be real conditions for the efficient functioning of the economy that take into account the mutual interests of both the producer and the consumer. Erosion of the concept of property and alienation of people from it is the way to impoverishment and the destruction of the economic foundations of the state.

[S. Guseynov, deputy director of the Scientific Research Economics Institute of the State Economic Planning Committee (Gosekonomplan) of the Azerbaijan Republic] Indeed, the question of property is pivotal in the market mechanism of economic management. Adam Smith also emphasized this: "The person who does not have the right to absolutely acquire any property whatever can be interested only in eating as much as possible and working as little as possible." To be convinced of the truth of these words it is quite enough to analyze our socialist experience using the example of recent years.

[T. Kvazimov, president of the joint-stock firm AzGUR] In my opinion any form of property and of organizing entrepreneurial activity is good for stabilizing the economy if it ensures the efficient operation of enterprises and organizations and the possibility of their participation in the solution of social problems. And the interest of the owner, which lies in the striving to obtain maximum profit and to create competition, serves as the driving force.

[F. Akhundov, chief economist of the department for the economic regulation of entrepreneurial activity and review of legislative acts on the economy of the republic's State Economic Planning Committee] The problem

we are discussing has not only economic but also political significance. People who don't have property are a potential source of political instability. Their position is to wait passively for a favorable contingency. But the owner, on the contrary, is interested in labor and in the stable course of the production process. Bearing this in mind, the strategic goal of privatization should be the assignment of property into the ownership of the most efficient boss (khozyain).

[E. Rustamov, senior consultant of the department for the organization of the management of the economy attached to the staff of the President of the republic] It is well known to all that the chief causes of the economic crisis we are experiencing are rooted in the inefficiency of so-called public ownership, in the alienation of working people from the means of production. It is my belief that organization of a socially oriented market economy based on a variety of forms of ownership should become the main goal of destatization and privatization.

[Gadzhiev] What major principles of destatization and privatization are acceptable for our republic?

[O. Akhverdiyev, chief of the department for the economic regulation of entrepreneurial activity and review of legislative acts on the economy of the republic's State Economic Planning Committee] The reform essentially affects all citizens of the republic who have a moral and legal right to their share of state property. Therefore the opportunity for each member of society to participate in it should be secured by legislation. This, I think, is the chief principle.

[S. Guseynov] Unfortunately, the legislative acts adopted in the republic which define the principles for carrying out these processes have not been worked through to a conclusion. The decree of the National Council of the Azerbaijan Republic "On Urgent Measures for the Demonopolization of the Economy and the Denationalization and Privatization of State and Municipal Property" can serve as confirmation of this. Without going into the details of the document named, let us limit ourselves to only a single example. In the section on the destatization and privatization of property where the question is one of the uncompensated transfer to labor collectives of the majority (two-thirds) of the fixed capital at close to market value through the formation of joint-stock companies of the closed type, it differs in no way from the notorious nationalization of enterprises after the October Revolution. This step, in my view, not only will not contribute to the transformation of the worker into an owner but won't assure even an elementary motivation to work.

[V. Akhundov, first deputy chairman of the board of the state concern "Goods for the People"] It would be incorrect to consider the concept and ways of privatization being carried out in isolation from existing institutions—finance and tax, banking, price formation, material-technical supply, the organization of administrative

structures... The introduction of price indexing should be considered one of the main conditions of privatization under conditions of growing inflation: let each citizen or collective which acquires the ownership of fixed capital have a guarantee of not losing those amounts as a result of inflation. At the same time it is necessary that the amount of fixed capital being privatized correspond to the amount of ready money and deposits. In the event that the value of the fixed capital exceeds the monetary funds and deposits of the population, the difference should be transferred to the population free of charge...

[F. Akhundov] I think that first of all one needs to create conditions such that wherever possible all the generally known principles would be combined to the maximum in each specific instance. So as not to permit the priority use of a single one of them. Otherwise it will be difficult to avoid social injustice.

I will cite an example. The preferential use of the principle of the pre-emptive right of labor collectives to choose the form and determine the order of privatization will inevitably lead to an ignoring of the equality of the rights of all citizens to get their share of property.

[Gadzhiyev] Which of the existing models of privatization is the most acceptable under the conditions of our republic?

[Chingiz Israfil] Several privatization forms are known in world practice. **The first model.** The sale of state property. This method is based on the sale of part or all of the state property to the private sector.

The second model. The managerial contract. Ownership of an enterprise remains in the hands of the state but management functions are handed over to the private sector for a certain period of time with a preliminary and subsequent annual payment. And **the third model.** The lease, which contemplates the transfer of state property to individual citizens or groups of persons and to labor collectives on the basis of temporary or long-term agreements. Use of lease relations at small enterprises seems most advisable.

[E. Rustamov] It is obvious that not one of these models can be effective individually. Preferring one of them to another undoubtedly would cause antagonistic contradictions between the economic interests of the various social groups of the population. Thus, let's say, such problems would arise, for example, in the priority organization of "people's enterprises." First, if the property is "given" to the workers of the enterprises, then what is to be done in the process with the share of the teachers, doctors, scientists and other workers of the non-production sphere. Secondly, will the share differ even for those who work directly in the production sphere depending on where, specifically, they work. Thus, in the fuel industry it will come to 150,000 rubles [R], in power engineering—R57,000, in light industry R5,000 while in the garment sub-sector it is even less than that—only R740.

Practice shows that no administrative division whatever assures fairness when carrying out destatization and privatization. Only the market is fair.

[M. Ragimov] I think that an optimal combination of all privatization models can serve as the variant most acceptable for us. The main thing is not to shoot from the hip. You see, even in countries with a classic market economy that have vast experience in privatization this work is carried out with great caution.

[S. Guseynov] And still, under the conditions of our republic, preference ought to be given to the formation of closed type joint-stock companies, to the creation of people's (collective) enterprises, and also to small-scale privatization under compensated and uncompensated conditions.

[Gadzhiyev] Strictly speaking, the opinion has already formed in the social consciousness of the republic's population that in the process of privatization most of the national wealth will pass into the hands of the fat cats of the shadow economy. How real is this danger?

[S. Guseynov] I will say frankly: dramatization of the situation around the destatization and privatization of state property is being skilfully and purposefully used by certain circles which secretly, and sometimes quite openly, defend the interests of the shadow economy. Its smart dealers, relying on information obtained and the support of a certain circle of persons, are already putting privatization into practice. Therefore in the consciousness of the people the transition to market relationships is associated with a wild outburst of anarchy and general freedom from punishment.

[V. Akhundov] I would divide those who operate in the shadow economy into business-like people and uncooled smart dealers. The former use their abilities and experience to develop production, increase the amount of goods, and create jobs and, of course, to obtain a personal profit, the size of which, unfortunately, remains in the shade. Such people do not share it with the state, mainly because of the absence of such a "sharing" mechanism. The smart dealers, abusing the imperfection of the laws and of price formation and the lack of financial monitoring, extract a profit while producing nothing. Precisely therefore they also do not survive in the process of privatization.

[F. Akhundov] The term "shadow economy" has already lost its meaning. Of late this phenomenon has been transformed into the sphere of legal entrepreneurship, thus having legitimized the so-called "unjust money." However, it would be a great mistake to leave the principle of the equality of the starting conditions for all citizens out of one's reckoning.

[O. Akhverdiyev] I think that with the appropriate laws and legally binding documents and with their strict observation and application it is possible to protect the privatization process against the representatives of the shadow economy to a significant extent. Taking the

opportunity. I would like to suggest such a variant. Since we already acknowledge the existence of the shadow economy and no repressive measures whatever can deliver us from it, perhaps it is time to reconsider our attitude towards it and to create the conditions for its emergence into "God's light." For example, practically all the public catering facilities around Baku have their own illegal bosses although they formally belong to the state. Why not sell them to these bosses?..

[T. Kyazimov] The fears of the population are not without foundation since the buying back of state property can be accomplished by the "laundered" money of the representatives of the shadow economy.

The main inconsistency of the transition period in our republic is that any steps on the way to the market economy, price liberalization, property privatization, etc., lead to a sharp increase in prices, speculation, and the enrichment of the fat cats of the shadow economy. However, I think that the real danger is not so much in the shadow economy as in our indecisiveness and inconsistency and in the fact that we are letting time go by in the implementation of the most important measures on the way to the market.

[Gadzhiev] What should be the mechanism for taking account of the interests of the various sections of the population in the process of destatization and privatization?

[O. Akhverdiyev] To take maximum account of the interests of all sectors of the population, one needs, apparently, to open privatization accounts or deposits payable to the person named. The procedure and conditions for opening them are prescribed by a special ruling (by an edict of the President, decrees of the Supreme Soviet or Cabinet of Ministers).

[S. Guseynov] Here one can choose such a path: after determining the market value of the property being privatized the state gives one-time payments (investment checks) to the workers of the enterprise in question in the amount of not more than 35 percent of the sum total of the property. They gradually return the sum of the payments to the state as dividends are received. The details of this operation are to be determined and when necessary adjusted at each specific enterprise.

[T. Guseynov, chief of the department for the development of the building materials industry and structures of the republic's State Economic Planning Committee] The members of a labor collective are granted various privileges in all the legislation: uncompensated transfer of the ownership of facilities and the sale of shares and other property on deferred payment and at preferential prices. I consider such approaches socially unjust. **In the first place**, the very difference of a single percent of privileges in the absolute size differs in the production sectors—at enterprises of the petroleum, power engineering and chemical industries it is several times higher than in the light and food industries. **Secondly**, persons working in the organs of administration and power do not receive

any privileges whatever. **Thirdly**, state property is distributed unevenly by regions of the republic. Its value per worker in the cities of Baku and Sumgait is several times higher than in the interior. Based on this, I consider the issuance of investment checks with a value of R12-18,000 advisable. Each citizen of the republic can invest them in any sphere of the economy in any region or sell and transfer them to another person at the nominal or commercial price.

[T. Kyazimov] A certain part of the property, namely social, cultural and personal services facilities, housing, and fixed capital having more than 70 percent depreciation should be transferred to labor collectives free of charge.

[S. Ragimov] When we talk about the need to combine the various forms of privatization one ought to also take into consideration the interests of pensioners, disabled workers, and other categories of the population who at one time have made their contribution to the formation of the national property.

[Gadzhiev] The scale and importance of the processes of privatization require extraordinary approaches. Based on the experience of the countries where privatization has already been accomplished, the first step here should be the study (preparation) of a so-called general plan...

[Chingiz Israil] In the developing countries the general plan is usually prepared by foreign consultants, which permits one to take accumulated experience into account and to achieve objectivity.

In Turkey, for example, the problems of the state enterprises were a heavy burden on its economy for a long time. Finally, a draft general plan for their privatization was prepared in 1986. The work was entrusted to the Morgan Bank of New York. A program was prepared on its basis which included the following stages: **a) determination of the list of facilities to be privatized; b) study of the parameters of the state enterprises and organizations (economic efficiency, level of technology, need for investments) and the systematization of these data for the subjects of privatization; c) definition of the conditions of privatization, including even such necessary elements as a Law on Privatization and enforceable enactments; d) determination of the body which is to carry out the privatization and regulation of the conditions of its operation; e) the specific goals, tasks, and time limits for the implementation of the program for the government.**

[S. Guseynov] I am profoundly convinced that an authorized body specially created for this purpose should deal with problems of the accomplishment of destatization and privatization. Whether it will be a State Committee on Property or a property administration is not important. But such a body is needed.

[O. Akhverdiyev] Any economic reform must be made official by a legislative act. Only after this is the responsible state organ to be determined. The practical accomplishment of privatization will require the development

of no less than 20 legally binding documents, including plan-programs. All this business, of course, is not to be managed successfully, as they say, on a voluntary basis.

[F. Akhundov] Considering that privatization is the cornerstone of the economic reform, the legislative acts should be oriented not so much to the realities of today as to the future. For the transition period it is necessary to provide for the creation of a special body which handles the possession, use, and disposition of state property in the name of the state.

[T. Guseynov] It is quite obvious that the entire process of the development and implementation of a destatization and privatization program should be headed by a specialized department—the republic state property fund.

[T. Kyazimov] The principles of economically valid methods of management granting the enterprises real entrepreneurial independence without pressure from above should be revived at the same time. Moreover, a contract operations exchange and a network of commercial banks need to be organized.

[V. Akhundov] The entire organization of the regulation of the privatization process should be accomplished through economic levers and systems and methods within the framework of laws, legislative acts and legally binding documents which have been adopted. A variant where the state does not interfere administratively in this process but adjusts it through the adoption of additional legally binding documents and the development and introduction of economic levers would be ideal. It would be advisable to retain only monitoring functions for the state. I think that this is the most democratic privatization variant.

Creation of Free Economic Zone Assessed

92US0351A Baku VYSHKA in Russian 12 Mar 92
pp 1-2

[Article by O. Akhverdiev, Chief of the Economic Regulation of Entrepreneurship and Consultation on Legislative Enactments of Gosekonomplan: "The Path to the World Market"]

[Text] Can free economic zones be created in Azerbaijan?

Azerbaijan, having become sovereign, has found itself face to face with its numerous economic problems, in the solution of which world experience must be used. The republic has at its disposal a potential that will permit it to look at the future with optimism. But it is one thing to have a potential, another to handle it in a businesslike manner. Our land, raw material, labor and other resources, and our production potential are national wealth, and in the era of an open economy, toward which we are striving, it is important to know how to use it

efficiently. A totalitarian regime has left us as an inheritance a damaged economy, without a radical rebuilding of which we shall hardly be able to enter the world market.

In order to solve this problem, many developing countries have gone the route of creating free economic zones (SEZ's), with the direct participation of foreign investors, technologies, and management systems.

Free economic zones began to appear at the end of the fifties. They were first created in Ireland in the Shannon Airport area and in Finland (Bataan) with a view to invigorating the economic activity of these countries. But then, the SEZ is an arbitrary name; it is subdivided into such varieties as a free-trade zone, a free customs zone, a production and exporting zone, a special economic zone, and others. All these are united by a status which facilitates the enlistment of foreign capital. It is outside the sphere of standard enactments on taxation and the customs duties that are in effect in the country. Conditions that are favorable for firms located in an SEZ are established which enable them to import machinery, equipment, and raw materials into the country practically customs-free, to create export-type output, and also to export part of the profit.

In the sixties and seventies, competition to get foreign capital arose even among countries that had decided to create SEZ's. The first results proved to be good. From 1982 through 1990, the budget deficit in Mauritania was reduced from 14 percent of the gross national product to one percent of it, inflation was almost stopped, tax rates were cut in half, the norm for servicing the internal debt was reduced from 27 percent to 10, and the population's standard of living rose by almost 70 percent. This country now has free education and health care, and aid for the unemployed and pensions for the old are being paid.

Such examples have given a push to create SEZ's. While in 1970 they were operating in only 10 countries of the world, they were in 40 countries in 1985 and in 80 countries at the start of 1991. About 600 free economic zones are now in operation in the world (not counting entrepreneurial zones in the U.S.) and 10 percent of the world's trade is executed through them.

A zone is created on the basis of a government enactment or order of a supreme authoritative body. A special decision for a specific zone which results from general legislation on foreign economic activity also is possible. Either central or local administrative bodies or enterprises or groups of enterprises take the initiative in creating SEZ's. For example, in Yemen the leadership of the Aden seaport, after coordination with the trade union, submitted to the government a proposal to create a free trade zone in part of the port. The government considered it necessary to introduce the proposal into the Yemen parliament in its own name, as well as a draft of a law that declared the whole city of Aden a free zone for entrepreneurship.

Before an official decision is adopted, research on the subject of determining total costs and the final benefit is conducted, and the type and the scale of the state's initial and ongoing investment are determined. As well as measures for stimulating the zone's enterprises. From four to six months is spent on all this.

Of importance is a correct choice of area for the zone, the basic criteria for which are: communication with the international market (the transportation and telecommunications potential); the level of industrial development that will permit subcontracting relationships to be established; the presence of qualified administrative personnel; the availability of a work force; and the tourist potential.

Usually, definite areas of a city, country, or portion of territory that are located close to large commercial ports or airports within the borders of the country being developed are allocated for the zone.

It should be emphasized that the activity of an SEZ, especially in countries that are being developed, involves definite risk. Therefore, at the starting stage of the establishment of production, export, and other entities, the investors in a SEZ more often than not are not transnational companies but comparatively small firms which establish small and medium-sized enterprises. In the Shannon (Ireland) free zone, 82 percent of the enterprises have fewer than 50 workers. As the development of a zone becomes successful (in about 5-7 years), it becomes possible to create larger enterprises with up to 2,000-3,000 workers.

Despite the differences in names and in nature of activity, SEZ's are divided into two basic types. The first comprises enterprises whose function is limited to the operations of storage, sorting, packaging, and the forwarding and processing of commodities. Such SEZ's are created mainly at large seaports for the purpose of encouraging merchant ships to call at these ports. Naturally, their potential for developing the production of exports and of involving national resources is extremely limited. Therefore, foreign-trade type zones have not been established widely. Second are zones of a production nature, with more efficient development of the export potential. These zones meet a country's economic interests to a greater extent.

Perhaps the most complicated aspect of the problem of creating SEZ's is the search for potential investors who will, in the final analysis, decide under what conditions they are ready to invest capital and will determine the basic features of the zone. As a rule, the host countries send out to the appropriate firms and companies a list of the natural and organizational factors that should be of interest to them. This is how Southeast Asian countries in particular have operated.

More than 30 years of experience with SEZ's enable certain conclusions to be drawn about the value of this form of participation in the international economic

expanse, especially for developing countries, a category in which the Azerbaijan Republic should be included.

The unique potential for absorbing a substantial amount of unskilled work force and for training production personnel and managers can be considered a most remarkable result. During the years of operation of the production-export zone of Mauritania about 100,000 work places were created there, thanks to which the level of unemployment fell from 25 percent in 1975 to 4 percent at present. At the free trade zone in the port area of Mesin in Turkey, which began its activity in March 1988, work was provided for more than 75,000 Kurds who had relocated here from southeastern parts of the country. The earnings in foreign currency obtained by workers in the SEZ increase foreign-exchange receipts considerably. In China's Shencheng zone the earnings of blue-collar and white-collar workers of the zone's enterprises are credited in hard currency, of which only 20 percent is handed directly to them, while 80 percent goes to the Bank of China, which exchanges it for the national currency at the official rate. In other words, here the work force is exported without sending it abroad.

At the same time, benefits and subsidies that are granted to foreign investors restrict tax receipts in hard currency considerably, as a result of which serious difficulties arise in covering the host country's costs in creating the zone's infrastructure. Not all zones have justified their hopes in regard to increasing foreign-exchange receipts through an expansion of exports. But then even these relatively insignificant foreign-exchange receipts have turned out to be completely adequate for assuring profitability of the zone's enterprises.

Wanting to preserve a high level of international integration, foreign firms and companies are opposed to the involvement of enterprises outside the zone and of suppliers of raw and other materials in their production affairs. Reduction of the national added value in the value of the zone's final output reduces considerably the net income of the host country from exports.

As for hopes for obtaining easy access to modern technologies, in practice many foreign firms carefully retain the technological information (especially in the area of electronics), concealing it even from their blue-collar and white-collar workers. The most active instrument for the transfer of new technologies is the creation of mixed zonal enterprises.

The question arises—does Azerbaijan have the necessary prerequisites for creating free economic zones?

In order to answer this question, the basic prerequisites which investors present should be examined. Here is how they appear in Azerbaijan:

1. Political and economic stability.

Unfortunately, there is as yet no basis for asserting that we have emerged from political and economic crisis.

2. A good transport and communications potential which will permit uninterrupted functioning and stable communications to be provided. There are practically nonexistent in the republic.

3. Convenient communication with the world market (preference is given to port regions and island territories).

The shortest exit to the open ocean is possible through Iran and Turkey; this involves additional costs.

4. Service support (financial, transportation-forwarding, subcontracting, and others).

There are no free financial resources today and in all probability there will be none in the next few years. The creation of these support services for the normal functioning of the SEZ will require not only new financial and material resources but also a precise program for the SEZ's infrastructure, which we also do not have as yet.

5. The quality, skill levels, and cost of the available work force, which exert a definite influence on the zone's branch specialization.

As we see, we are talking about vocational training for blue-collar workers, and not about their availability at all, for it is considered that availability can be taken for granted. In Azerbaijan there is a surplus of labor resources. As for their quality and skills, this problem still remains to be resolved.

6. The presence of an efficient organizational structure (especially in regard to the rapid review of investor's applications and the extension to them of all possible help at the stage of establishing production).

Unfortunately, it must be noted that during the many years of management of the national economy along vertical lines, we formed a bureaucratic psychology which, probably, will slow down for some years the process of converting to civilized methods and forms for organizing office work. Incidentally, in this area also the SEZ can play an invaluable role by training modern managerial personnel who are capable of thinking.

7. A sufficiently high level of industrial development in the region contemplated for the establishment of an SEZ.

There are such regions in the republic but not all of them meet the criteria under which the siting of SEZ's are selected.

8. The state of the housing inventory.

The chronic severity of our housing problem is well known.

Thus, our republic has at its disposal extremely modest possibilities for satisfying the prerequisites for possible foreign participants in creating SEZ's. Nevertheless, it would seem that we have the prerequisites for creating a zone of free entrepreneurship based upon joint enterprises. The Nakhichevan Autonomous Republic and the

republic's coastal regions can be the most suitable regions, bearing in mind their direct communication with Iran and Turkey. Moreover, it is not excluded that it is the businessmen of precisely these countries who will be the first participants in realizing the given project. It is desirable to create an SEZ in the area of the Bin Airport.

The world has accumulated most rich experience in this constellation of problems which must be studied, and it is now necessary to invite foreign specialists to study our potential and to extend assistance in the preparation of a program for creating an SEZ in Azerbaijan.

I ask that the honorarium for this article be credited to the fund for the defense of Azerbaijan.

Russian Speakers' Position Examined

92US0345A Baku BAKINSKIY RABOCHIIY in Russian
14 Mar 92 p 2

[Article by V. Zotov, chairman of Sodruzhestvo Society, and A. Solovyev, deputy chairman of the society: "Position of Azerbaijan Russians"]

[Text] For more than four years now the land of Azerbaijan has not known peace. After banishing 200,000 Azerbaijanis from their historical homes in Armenia, the Armenian nationalists unleashed a war in Nagorno-Karabakh. Upon the insistence of the Armenian separatists, the anti-constitutional puppet Republic of Nagorno-Karabakh was "proclaimed" which, in violation of the internationally recognized principle of inviolability of borders, recognizes the seizure of Nagorno-Karabakh—the age-old sovereign territory of Azerbaijan.

On 14 February 1992, acting upon the initiative of the Sodruzhestvo [collaboration] Society for solidarity among the people of Azerbaijan, an all-republic meeting and a meeting of the authorized representatives of the Russian population of Azerbaijan, in support of the sovereignty of the Azerbaijan Republic, were held. A resolution was adopted calling for the cessation of actions by the Armenian separatists, for the implementation in Azerbaijan of the international law governing the inviolability of the borders of sovereign Azerbaijan, for the adoption of urgent measures aimed at disarming the Armenian band-formations and ensuring their withdrawal from Azerbaijan territory. In addition, the resolution called for an end to the efforts by the mass media aimed at inflaming passions with regard to the Armenian-Azerbaijan conflict. The resolution was sent to the United Nations and to the parliaments of sovereign states. The meeting of authorized representatives of the Russian population of Azerbaijan expressed its support for the campaign being waged by the Azerbaijan people against Armenian aggression and it handed down a decision calling for the president and parliament of Russia to be informed regarding the position taken by the half million population of Azerbaijan regarding the Karabkh question.

A delegation of the Russian population of Azerbaijan that was sent to Moscow held talks with R.G. Abdulatipov, chairman of the Council of Nationalities of the Supreme Soviet of Russia, and with V.P. Lisiniy, chairman of the Sub-committee for Humanitarian Relations. The delegation called upon the president and parliament of Russia to ensure the carrying out of international law in Nagorno-Karabakh, the third point of the Declaration on Observance of the Principle of Collaboration within the CIS [Commonwealth of Independent States] framework, regarding respect for territorial integrity and the principle of inviolability of borders, the principle of indestructibility of borders as set forth in the SBSE agreements and also the Geneva Convention on protecting the victims of war (1946). During the talks, the members of the delegation reported that many sons of the Russian people—residents of Azerbaijan—together with Azerbaijanis, are fighting in Karabakh and defending their republic. They further noted that following the collapse of the union, a high ranking Armenian grouping of Gorbachev's shifted to the side of the Russian Parliament, thus attaching the appearance of legality to the puppet NKR and its separatist operations.

The delegation members expressed indignation over the fact that G. Starovoytov, a presidential adviser for international relations and one who made a career out of inflaming dissension, was being assigned to serve as minister of defense. In addition, F. Shelov-Kovedyayev, who disclosed his pro-Armenian position during talks with the Sodruzhestvo Society delegation at the time of the Fourth Congress of People's Deputies, has already been assigned as 1st deputy minister of foreign affairs. (It is noted that, disturbed by the negative response in Moscow to the statement by the Russian delegation from Azerbaijan, F. Shelov-Kovedyayev hastened to declare that his position in the conflict was "humanitarian" in nature.) We discussed the fact that the pro-Armenian lobby in the Russian parliament is deftly maneuvering the opinion of the deputies and has developed the ambiguous position taken by the president and parliament regarding the Karabakh question and, as a result, the agreement between Russia and Armenia for mutual security was almost ratified! The Armenian mafia, with the help of its lobby in Moscow, has its own people in all of the administrative structures and parliament, in the press and on television and radio. Despite the interests of the Russian people, the Russian parliament is being transformed into an agent for carrying out the will of the Armenian diaspora and separatists. We called upon the Russian president and parliament to support the authority, honor and dignity of the Russian population in Azerbaijan.

The position taken by the Russian population in Azerbaijan has found understanding in the Supreme Soviet of Russia and also support during talks held with various political parties and social organizations and in the editorial offices of some newspapers. We directed the attention of Muscovites to the work being carried out by the Karabakh Committee of Russian Intelligence,

aimed at inflaming anti-Azerbaijan sentiments in Russia and to the propagandist tricks being employed for justifying the illegal territorial claims of Armenia. In reply, we overheard great concern being expressed by Muscovites over the fact that Armenian representatives in Russia are buying up large tracts of land, to be used for building homes for Armenian settlers. Our talks served as the stimulus for the development of a clear position on the Karabakh question among the many social forces in Moscow. The Russian Party of National Revival made a statement to President Yeltsin of Russia and to the commander of the CIS [Commonwealth of Independent States] armed forces, Marshal Shaposhnikov. In particular, a portion of the statement read as follows:

"The use of Russian soldiers in the conflict area is undermining the atmosphere of friendship and mutual understanding between the Russian and Azerbaijan people. We demand an investigation of the true causes and disclosure of the organizers of the international conflict in Nagorno-Karabakh. Moreover, the guilty parties should be held responsible. It is our belief that the possibility of introducing United Nations forces or other international military contingents onto the territory of sovereign Azerbaijan is both intolerable and criminal." The Central Council of the Russian Party of National Revival sent a letter to Azerbaijan with a proposal for the rapid establishment of a Russian-Azerbaijan society for friendship, business and cultural collaboration.

The members of our delegation participated in a press conference with soldiers who did not wish to fight against the peace-loving population of Azerbaijan or refugees from Karabakh. They picketed the White House and buildings of the Ministry of Defense and Mossovet [Moscow City Soviet of Workers' Deputies]. They organized a meeting and they reached an agreement for coordinating their actions with the Azerbaijan community of Moscow.

The position of the Russian population of Azerbaijan was stated once again during the final press conference of our delegation for the Russian and foreign journalists, in the German and French embassies and in the information centers of the BBC, NBC, Iraq and Syria.

Armenia Considered Aggressor in Conflict

92US0352A Moscow NEZAVISIMAYA GAZETA
in Russian 28 Mar 92 p 3

[NEGA report; place and date not given: "Azerbaijan Has Declared Armenia An Aggressor-State: Yerevan Objects"]

[Text]

Armenia

The latest resolution of the Azerbaijan Supreme Council on the Nagorno-Karabakh Republic labels Armenia an aggressor-state.

The Azerbaijan parliament has decided to ask the United Nations and the world community to recognize Armenia as such.

"This resolution is yet another attempt by Azerbaijan to present the Republic of Armenia as a warring party," said Armen Kirakosyan, Armenia's first deputy minister for foreign affairs.

"Armenia, however," continued Kirakosyan, "while an interested party in the Karabakh conflict, is not a participant in this war, which we consider a fight by the Armenian population of Karabakh for its rights, for the right to self-determination. This resolution by the Azerbaijan parliament is nothing but a propagandistic act that crudely distorts the actual state of affairs in the region."

On the morning of 27 March the Azerbaijan side shot down a civilian YaK-40 airplane, which was making a flight on the Stepanakert-Yerevan route. On board the plane were women and children. A heat-seeking rocket hit the tail end of the plane soon after it lifted off from the Stepanakert airport and tore right through the sheathing, although by happy accident the plane did not blow up. Thanks to the skill of the crew, they managed to complete a successful landing in Yerevan, despite the fact that one of the motors had gone out of commission.

On 26 March, Makhmud Vayyezi, the Iranian deputy chairman for foreign affairs, was received in Yerevan by the vice president, Armenian prime minister Gagik Arutyunyan, and Ashot Manucharyan, chief national security advisor to the Armenian president.

The Karabakh issue was discussed, especially the problem of exchanging hostages. At the meeting with the prime minister, matters of bilateral technical and economic cooperation were also considered. On the 27th Vayyezi flew to Moscow for talks with Andrey Kozyrev, the Russian minister for foreign affairs. Mazakhari, his advisor, left Yerevan for Stepanakert to continue negotiations.

In response to the request of Levon Ter-Petrosyan, the Armenian president, Eduard Shevardnadze, the chairman of the Georgian State Council, agreed that shipments to Armenia from Western countries, especially grain, be unloaded in the Georgian ports of Batumi and Poti. He also announced that he is guaranteeing the safe delivery of these shipments by railroad, which has not been damaged on those sections. Previously, those shipments arrived at other ports of the former USSR and reached Armenia either through Azerbaijan, which has now blocked the railroad to Armenia again, or else through Georgia, whose railway lines have been damaged as a result of confrontations between supporters and opponents of Gamsakhurdia. The guarantee Shevardnadze has given for the safety of the shipments is important, for if Azerbaijan were to block rail and motor connections between Armenia and the outside world on a state level, that would create a "criminal blockade" on the territory of Georgia, expressed in the fact that

shipments for Armenia, especially those transported by motor vehicle, would be subjected to barriers and money would be demanded from drivers.

GEORGIA

NEZAVISIMAYA GAZETA Talks to Gamsakhurdia

92USC343B Moscow NEZAVISIMAYA GAZETA
in Russian 26 Mar 92 p 3

[Interview with Z. Gamsakhurdia by Natalya Pachegina and Igor Zotov; place and date not given: "Zviad Gamsakhurdia: 'I Will Always Be President'"]

[Text] Late in the evening of 19 March we were informed of Zviad Gamsakhurdia's consent to be interviewed. The chief of the president's security service took us to an attractive two-story private residence screened by a tall fence. Gamsakhurdia and his family occupy the second floor, where he greeted us in a small hallway.

[Gamsakhurdia] I am very offended with your newspaper. There are more lies about Georgia and about me in NEZAVISIMAYA GAZETA today than in PRAVDA. Yet I remember well that on 19 August your chief editor Tretyakov called me and announced that the newspaper was on the blacklist of banned publications. I immediately told him: "Of course, your paper will be printed at our printer's." And now a stream of dirt and lies, forever the same lies, has been rained down on me. This is not the way to behave....¹

[NEZAVISIMAYA GAZETA] Mr. President, looking back, have you no regrets?

[Gamsakhurdia] I would do everything the same, in the main. Because I followed my principles. As president, I acted in accordance with the Constitution of Georgia and thought of the interests of my people. Finally, I carried out the demands of my people. In any event, those that were expected of us. I tried to do this to the best of my abilities. I did not always succeed here, perhaps... and, of course, much of this was prevented, first, by the unprecedented campaign of disinformation and slander in the central press, which moved to the pages of the world press also. I discern a general conspiracy against Georgia here. Perhaps I should have been more circumspect... and tougher in some respects.

Eduard Shevardnadze has returned to Georgia. He has a mission. A mission which he has obtained from the center. And ambition as well, of course. This man has no sense of honor. He has, after all, come to head a criminal gang. If in his "Moscow" period he somehow appeared to be a politician, he may now be considered a political corpse. And when he was seen at Tbilisi Airport surrounded by this gang, alongside these criminals.... Not only Dzhaba Ioseliani, one out of every two in this gang is a thief. And here he was in an entourage of thieves and gangsters heading for Tbilisi. The city was horrified.

Who is his deputy? A person who is proud that he has been convicted four times for theft and gangsterism.

A great deal is being written about this in the West also, incidentally. Not about Shevardnadze as yet. But a great deal about Ioseliani. Such headlines as "Criminals Have Taken Power in Georgia," straight out. Ilia has met with these unworthy people. And this is understandable. It has long been known that he is a KGB agent and has always served Moscow.

[NEZAVISIMAYA GAZETA] What are your immediate tasks?

[Gamsakhurdia] The preservation of parliament. Preservation of the government. And preservation of the legitimate authorities of Georgia. The restoration of the legitimate authorities in Georgia is, of course, our main task.

[NEZAVISIMAYA GAZETA] Were a danger of civil war to emerge in the republic, would you renounce the presidency in the name of the preservation of peace?

[Gamsakhurdia] Afghanistan had war imposed upon it, after all. I do not wish to make forecasts. God grant that it not come to this. But civil disobedience will go on, and I will always be president.

[NEZAVISIMAYA GAZETA] Do you have a reliable financial base?

[Gamsakhurdia] Only the people. The people are collecting money for us. And the vile charges of the embezzlement of millions are lies.

When we were in Armenia, they sent Ter-Petrosyan the demands: your guest has 700 million rubles, take them and return them to us. I personally asked the Armenian authorities to examine our baggage and belongings. The Armenian authorities did so, drew up a report and apologized. Meanwhile these dirty accusations continue. I am not surprised now. These people are capable of anything. Anything may be expected of them. People who shot peaceful civilians on the streets directly at meetings and demonstrations. People in masks shooting at their fellow citizens. These action stills were seen in Moscow. What can be expected after this? People were, after all, shot without trial or investigation.

[NEZAVISIMAYA GAZETA] Zviad Konstantinovich, if you had to write an aid for presidents, are a cultured outlook and the presidency compatible?

[Gamsakhurdia] Not in this country. Society has been damaged to too great an extent here, too much has been destroyed.... The driving force here is, after all, the criminal world. I have reached the following conclusion: Only representatives of the mafia can hold on to power. Everything is decided here by force of arms, not the truth, justice, or honesty, finally.

[NEZAVISIMAYA GAZETA] If it is assumed that the coming elections will provide Georgia with a new parliament, will you return to dissident activity?

[Gamsakhurdia] Why? I will the whole while be the legitimate president. Whatever the result of the elections, this will not deprive the president and the current parliament of legitimacy. This will be an illegal body formed by them, and the parliament and president will exist and continue their activity, all the same.... Even in exile, perhaps. So this will do nothing for them. Politically, they are bankrupt. And the elections will be one further bankruptcy. If they are held, this will be, I am sure, falsification from start to finish. It will be that same State Council, simply legitimized. So we do not recognize these elections, and the people will not recognize them either. I am convinced that the people will boycott them. And, generally, what kind of elections could they be—people have no desire for any sight of them.

[NEZAVISIMAYA GAZETA] But the deputies who came to Grozny composed an "inferior" parliament, there was no quorum.

[Gamsakhurdia] There was indeed a quorum: Of the 137 deputies, 72 came to Grozny. It is for the constitution that a two-thirds vote is needed, but we have quite a normal majority here. As far as the various figures cited in the press are concerned, this is ignorance. Previously the parliament consisted of 254 deputies, then we removed the 60 communist deputies from the Supreme Soviet. In respect of the others—their deputy's authority was suspended by right of the Republic of Georgia Supreme Soviet Presidium for various reasons: mainly for the deputies' failure to perform their duties. So the Supreme Soviet was reduced to 137 persons. The manipulations with the figures are connected, I believe, either with ignorance or with the precise hope of deceiving the public.

[NEZAVISIMAYA GAZETA] A small boy just poked his head in here. Do you have your family here?

[Gamsakhurdia] Yes, this was my son. When I was president, he could not go to school, these gangsters threatened to take my children hostage. Whence you can surely draw a conclusion as to which of us—I or they—are more the fascists. After all, when I gave the order for the arrest of Dzhaba and his assistants, the opposition, feeling no shame, went hunting for my children. And this went on for two years.

[NEZAVISIMAYA GAZETA] Do you miss Tbilisi?

[Gamsakhurdia] Yes, of course, but the people here, on the other hand, are splendid.

[NEZAVISIMAYA GAZETA] What stage of life has been for you the most significant?

[Gamsakhurdia] The years of struggle against the totalitarian regime, most likely. There was not this vileness at

that time, it is true. Even the KGB knew its standards of decency. And the Central Committee kept within some bounds of morality.

[NEZAVISIMAYA GAZETA] Not counting personal affections, is the style of behavior which Gorbachev has chosen for himself since his resignation been acceptable to you?

[Gamsakhurdia] First, he did not quit the office of president of the USSR, he was "quitted." He himself says: "I am a displaced president." His experience is of no interest to me personally. I am a legitimate president, elected by the whole population of Georgia. Our law on citizenship I consider a model—no censorship, equal rights for all the peoples of Georgia. What do you think, could this have been done by a nationalist and fascist?

Footnote:

1. NEZAVISIMAYA GAZETA: Zviad Gamsakhurdia is not entirely accurate here. Such a telephone conversation did take place (on the initiative of NEZAVISIMAYA GAZETA), but not on 19 August but on 20 August (on the 19th we were still, until 0200 or 0300, hoping to publish the paper in Moscow). Mr. Gamsakhurdia did, indeed, consent to have the paper printed in Tbilisi, saying here, it is true: But you know that the printing works is run by the party (communist). How come the party, the chief editor of NEZAVISIMAYA GAZETA was astonished, had not the Georgian Government long since nationalized these presses, after all, and assumed full control of their operation? The Georgian president's response to this question was more than evasive and unintelligible. Nonetheless, NEZAVISIMAYA GAZETA employees had made preparations to fly the next day to Tbilisi to publish the paper, but in the morning of 21 August it had become clear that we could do this in Moscow also.

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